



Montana Legislative History

Chapter: 368 Session L: 1989

Bill Number: 662 House

Checklist of Bill History

History and Final Status Sheet	x
Introduced Bill	X
Fiscal Note	X
Third Reading Bill	X
Final Version of Bill	X

House

Committee:
Fish and Game

Hearing Date(s):
February 14, 1989

Senate

Committee:
Business and Industry

Hearing Date(s):
March 14, 1989

Conference Committee

Hearing Date(s): n/a

Conference Committee Report:

Compiler Notes

Compiled by: sg

Date: March 8,
2024

Notes:

HOUSE BILL NO. 662

INTRODUCED BY RICE, GRADY, O'KEEFE

IN THE HOUSE

FEBRUARY 11, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON FISH & GAME.
FEBRUARY 13, 1989	FIRST READING.
FEBRUARY 15, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 16, 1989	PRINTING REPORT.
FEBRUARY 18, 1989	ON MOTION, CONSIDERATION PASSED FOR THE DAY.
FEBRUARY 20, 1989	SECOND READING, DO PASS.
FEBRUARY 21, 1989	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 98; NOES, 0.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 28, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
	FIRST READING.
MARCH 15, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 17, 1989	SECOND READING, CONCURRED IN.
MARCH 20, 1989	THIRD READING, CONCURRED IN. AYES, 26; NOES, 22.
	RETURNED TO HOUSE.

IN THE HOUSE

MARCH 21, 1989

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 662
 2 INTRODUCED BY Rice Brady
 3 Rife
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO COORDINATE AND
 5 REVISE THE FEES AND CONDITIONS FOR SENIOR CITIZEN AND
 6 DISABLED DISCOUNTS; AND AMENDING SECTION 23-1-105, MCA."

7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 **Section 1.** Section 23-1-105, MCA, is amended to read:

10 "23-1-105. Fees and charges---golden--years-pass---
 11 disabled-person-waiver. (1) The department shall have power
 12 to levy and collect reasonable fees or other charges for the
 13 use of such privileges and conveniences as may be provided
 14 and to grant such concessions as it may--deem considers
 15 advisable, except as provided in subsections subsection (2)
 16 and-(3). All moneys money derived from the activities of the
 17 department shall be deposited in the state treasury in a
 18 state special revenue fund to the credit of the department.

19 (2)--Any-Montana-resident-as-defined-in-87-2-102-who-is
 20 62-years-of-age-or--older--may--purchase--a--"Montana--state
 21 golden-years-pass"--for-\$1-which,--when-attached-to-his-or-her
 22 vehicle,--allows-the-passengers-of-that-vehicle-to-camp-free
 23 in-Montana-state-parks,--recreation-areas,--and-fishing-access
 24 sites.--This--pass--is--valid--for--the--lifetime---of---the
 25 individual;

1 (3)(2) The Overnight camping fees established by the
 2 department under subsection (1) are---waived must be
 3 discounted 50% for a person who is a resident of Montana not
 4 residing-in-an-institution-and-who-is as defined in 87-2-102
 5 and either 62 years of age or older or certified as disabled
 6 in accordance with rules adopted by the department."

7 **NEW SECTION. Section 2.** Extension of authority. Any
 8 existing authority to make rules on the subject of the
 9 provisions of [this act] is extended to the provisions of
 10 [this act].

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB662, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

HB662 would revise the fees and conditions for senior citizen and disabled discounts for Department of Fish, Wildlife and Parks state parks, recreation areas and fishing access sites.

ASSUMPTIONS:

1. Actual on-site counts from Canyon Ferry and Region 4 fee logs are representative of statewide use trends which show that Golden Year pass use is 51% of the total overnight camping ticket sales.
2. There are 1,331 new lifetime Golden Passes and 950 new disabled permits issued statewide annually and it assumed that only this number of passholders actively participate in camping.
3. The annual camping permit will be eliminated by the Commission for the 1991 biennium.
4. The \$3 and \$5 overnight camping fees will continue for the 1991 biennium, with total sales of 32,771, approximately 79% of which will be \$5 per night and 21% of which will be \$3 per night fee areas.
5. Potential revenue from camping tickets for disabled persons is calculated using the same assumptions used for Golden Year passes.
6. A 4% accommodations tax will be collected at approximately \$2,121 each year.
7. There will be reductions of \$8,000 in program costs as a result of this legislation reducing administrative expenses at the eight headquarters offices and eliminating printing, consigning and accounting for Golden Year passes and disabled permits.

FISCAL IMPACT:Expenditures:

Dept. of FWP	Current	FY90 Proposed	Difference	Current	FY91 Proposed	Difference
	Law	Law		Law	Law	
Program Expenses	\$8,000	\$2,121	(\$5,879)	\$8,000	\$2,121	(\$5,879)
<u>Funding:</u>						
State Special Revenue	\$8,000	\$2,121	(\$5,879)	\$8,000	\$2,121	(\$5,879)
<u>Revenue:</u>						
State Special Golden Pass	\$1,331	\$ -0-	(\$1,331)	\$1,331	\$ -0-	(\$1,331)
Discount Camping Fees	-0-	54,347	54,347	-0-	54,347	54,347
Total	\$1,331	\$54,347	\$53,016	\$1,331	\$54,347	\$53,016

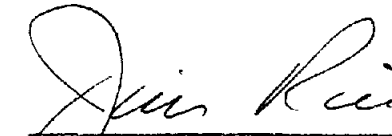
LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Trends indicate that annual applications for senior citizen and disabled discounts will continue to increase and, therefore, the proposed law revenue will also increase in future years.



DATE 2/18/89

RAY SHACKLEFORD, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING



DATE 2/15/89

JIM RICE, PRIMARY SPONSOR

Fiscal Note for HB662, as introduced

HB 662

APPROVED BY COMM.
ON FISH AND GAME

HOUSE BILL NO. 662

INTRODUCED BY RICE, GRADY, O'KEEFE

A BILL FOR AN ACT ENTITLED: "AN ACT TO COORDINATE AND
REVISE THE FEES AND CONDITIONS FOR SENIOR CITIZEN AND
DISABLED DISCOUNTS; AND AMENDING SECTION 23-1-105, MCA; AND
PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 23-1-105, MCA, is amended to read:

"23-1-105. Fees and charges---golden--years--pass---
disabled--person-waiver. (1) The department shall have power
to levy and collect reasonable fees or other charges for the
use of such privileges and conveniences as may be provided
and to grant such concessions as it may-deem considers
advisable, except as provided in subsections subsection (2)
and-(3). All moneys money derived from the activities of the
department shall be deposited in the state treasury in a
state special revenue fund to the credit of the department.

(2)--Any-Montana-resident-as-defined-in-87-2-102-who-is
62--years--of--age--or--older--may-purchase-a-"Montana-state
golden-years-pass"-for-\$1-which, when attached to his or her
vehicle, allows the passengers of that vehicle to camp--free
in-Montana-state-parks, recreation-areas, and fishing-access
sites---This---pass-is-valid-for--the--lifetime--of--the

individuals

(3)(2) The Overnight camping fees established by the
department under subsection (1) are--waived must be
discounted 50% for A CAMPSITE RENTED BY a person who is a
resident of Montana not-residing-in-an-institution-and-who
is as defined in 87-2-102 and either 62 years of age or
older or certified as disabled in accordance with rules
adopted by the department."

NEW SECTION. **Section 2.** Extension of authority. Any
existing authority to make rules on the subject of the
provisions of [this act] is extended to the provisions of
[this act].

NEW SECTION. **SECTION 3.** EFFECTIVE DATE. [THIS ACT] IS
EFFECTIVE ON PASSAGE AND APPROVAL.

-End-

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individual-

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-End-

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INTRODUCED BY RICE, GRADY, O'KEEFE

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NEW SECTION. SECTION 3. EFFECTIVE DATE. [THIS ACT] IS EFFECTIVE ON PASSAGE AND APPROVAL.

-End-



HOUSE FINAL STATUS

HB 661 INTRODUCED BY RICE
REVISE HEALTH LAWS RELATING TO SEXUALLY TRANSMITTED
DISEASES
BY REQUEST OF DEPARTMENT OF HEALTH &
ENVIRONMENTAL SCIENCES

2/11 INTRODUCED
2/13 REFERRED TO HUMAN SERVICES & AGING
2/15 HEARING
2/16 COMMITTEE REPORT--BILL PASSED AS AMENDED
2/18 2ND READING PASSED 96 0
2/21 3RD READING PASSED 98 0

TRANSMITTED TO SENATE
2/28 REFERRED TO PUBLIC HEALTH, WELFARE & SAFETY
3/17 HEARING
3/18 COMMITTEE REPORT--BILL CONCURRED
3/20 2ND READING CONCURRED 48 0
3/22 3RD READING CONCURRED 49 0

RETURNED TO HOUSE
3/29 SIGNED BY SPEAKER
3/29 SIGNED BY PRESIDENT
3/30 TRANSMITTED TO GOVERNOR
4/04 SIGNED BY GOVERNOR
CHAPTER NUMBER 440 EFFECTIVE DATE: 10/01/89

HB 662 INTRODUCED BY RICE, ET AL.
REVISE FEES AND CONDITIONS OF THE GOLDEN YEARS PASS

2/11 INTRODUCED
2/13 REFERRED TO FISH & GAME
2/14 HEARING
2/14 FISCAL NOTE REQUESTED
2/15 COMMITTEE REPORT--BILL PASSED AS AMENDED
2/18 FISCAL NOTE RECEIVED
2/20 FISCAL NOTE PRINTED
2/20 2ND READING PASSED 95 0
2/21 3RD READING PASSED 98 0

TRANSMITTED TO SENATE
2/28 REFERRED TO BUSINESS & INDUSTRY
3/14 HEARING
3/15 COMMITTEE REPORT--BILL CONCURRED
3/17 2ND READING CONCURRED 23 19
3/20 3RD READING CONCURRED 26 22

RETURNED TO HOUSE
3/23 SIGNED BY SPEAKER
3/27 SIGNED BY PRESIDENT
3/28 TRANSMITTED TO GOVERNOR
3/29 SIGNED BY GOVERNOR
CHAPTER NUMBER 368 EFFECTIVE DATE: 3/29/89

HB 663 INTRODUCED BY BROWN, J., ET AL.
INCLUDE HOSPICE CARE AS A MANDATORY MEDICAID SERVICE

2/11 INTRODUCED
2/13 REFERRED TO HUMAN SERVICES & AGING
2/14 FISCAL NOTE REQUESTED

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON FISH AND GAME

Call to Order: By Chairman Bob Ream, on February 14th 1989, at 3:15 p.m.

ROLL CALL

Members Present: All members present

Members Excused: none

Members Absent: none

Staff Present: Doug Sternberg, Legislative Council, Maureen Cleary, Committee Secretary

Announcements/Discussion: none

HEARING ON HOUSE BILL 520

Presentation and Opening Statement by Sponsor:

REP. DAILY: House District #69, Butte. This is a straight forward bill, and does exactly what it says it does. That is, allows a fishing outfitter to only use two rivers in Montana. It allows that fishing outfitter to select the rivers, so it gives them a choice. I introduced this bill on my own initiative and with some encouragement of friends. I float and mainly I float the Big Hole River. There are certain times during the year that it is almost impossible to float, because of the numbers of floaters. What I am concerned with is the pressure on the rivers, the natural resource. I foresee some people drowning and a very serious situation on the rivers. It is certainly not my intention to be vindictive towards the floating outfitters in Montana, neither to hurt them financially or put them out of business. I personally believe that this bill will benefit the outfitters, and the reason why would be that it will spread the outfitters around the state. Rather than having them converge on one river at a certain time of the year. I do believe that this bill had one serious problem when it was drafted, and I have an amendment that I will present to the Committee. (See Exhibit #20) This bill did not allow for any flexibility, if we have a summer like we did last year. I would like to present an amendment that would allow the Fish and Game Commission the opportunity to give those outfitters another river, in case the river they chose becomes un-floatable. I believe that the most important thing that we have to consider is when we make a decision in

the legislature, we need to consider the future. I think we need to make a decision that is a long range decision and not a decision that affects only the immediate situation. We have a serious problem in Montana with certain rivers, and I feel that this bill addresses that issue.

Testifying Proponents and Who They Represent:

Mr. Tony Shoonen/ self, sportsman, Missoula

Mr. Bill Holdorf/ self, Butte

Proponent Testimony:

Mr. Shoonen: I commend Rep. Daily for addressing the problem of overcrowding of the rivers in Montana. But if this bill could be amended primarily for solving conflicts on the Big Hole River, it could avoid growing problems within the state. This type of problem is not new. There were, and still are problems within the Madison River. And there is currently legislation pending that will affect the regulation of the Smith River. There are just too many people that want to fish certain rivers at the same time. I have been an independent fishing guide for 29 years now, and I have a deep concern for the resource. This bill could be amended to address the Big Hole, to ascertain the capacity of the river over the period of 5 years. Much like the BLM (Bureau of Land Management), and the Forest Service and Park Service has done in many rivers in the Northwest. The Dept. (Dept. of Fish, Wildlife and Parks) then could look at the prior use for the past 5 years and allocate a certain number of days to the qualifying outfitters. There are already laws in place that mandate the Dept. to manage fisheries and provide law enforcement on all public lands and waters. Adequate law enforcement in this case is the key. The amendments to the bill, especially for drought years, could stop a rogue outfitter in-state and out-of-state. Especially those outfitters operating out of the back of a pick-up truck or camper. They are taking advantage of a very serious situation. On high run-off years every outfitter from hundreds of miles away ends up on the Big Hole, 95% of the time this river runs clear. Poor land use practices in the state almost guarantee that many rivers will be unfishable much of June. More recently, the forest fires that occurred last fall will compound the problem. The Divide Section to the Melrose Section, is the most highly used sections of the river. In my opinion, the design to make money overshadows the concerns of the resource. And unfortunately, this is the story of the Big Hole. I am trying to impress on the Committee that amendments could be added to the bill that could make the Big Hole and experimental river. To try some of these ideas. There could be less conflict between outfitters and others, and perhaps something could be worked out. However, there are some key portions that do bother me. At the

least, this bill could provide a study committee, consisting of outfitters, Dept. persons, and sportsmen, to try to address the concerns and the intent of the bill.

Mr. Holdorf: The Big Hole River, most of the year, runs with few people. But during the salmon fly season, a tremendous amount of people are out there. They come there for a period of about two weeks. And I don't think that any of them [outfitters] have anything else in mind, except to get the most money that they can. They go there for that definite short period of time. I know that there is a problem, there has got to be something done to take those floaters off the rivers. The regular outfitters, that work there year round, are pushed right out of the river.

Testifying Opponents and Who They Represent:

Mr. Jack Hutchison/ Executive Director, FFOAM, Fishing and Floating Outfitters Of Montana

Mr. Jerry Strong/ outfitter

Mr. Smoke Ellser/ President, Montana Outfitters and Guides Association

Ms. Lori Schidoun/ Bozeman Chamber of Commerce

Mr. Ron Marcoux/Dept. of Fish, Wildlife and Parks, Helena

Mr. Ron Curtis/ Chairman, Mont. Board of Outfitters

Mr. Dennis Cavanaugh/ independent outfitter, Bozeman

Mr. Ed Curnow/ self

Mr. Kevin Shors/ Ennis Chamber of Commerce

Mr. Brian Nelson/ outfitter, Missoula

Mr. Larry McNevitch/ retired person, Bozeman

Mr. Curtis Davey/ guide, Missoula

Opponent Testimony:

Mr. Hutchison: (See Exhibits #7, #8)

Mr. Jerry Strong: Most outfitters rarely encounter the problem of being forced off the rivers. If they are too crowded, then we just don't go. I provide my clients with a quality fishing trip. One of the problems with this bill is that it is a Fish and Game bill and the outfitters are under the Dept. of Commerce. I don't understand how the outfitters can be regulated by the Fish and Game. These people that fish these rivers, will fish them whether we taxi them or

not. They do have that right. I don't think that we are going to solve anything with this bill.

Mr. Smoke Elsen: (See Exhibit #3)

Ms. Lori Schidoun: This bill addresses a critical issue for tourism in our community. If this bill were to pass, it's effects are much greater than just being a negative impact to the outfitters. But it would also effect many businesses in our community. In Gallatin County, tourism is the second largest industry, it employs more people than any other industry. I ask you to send a positive message to the people in tourism and vote "no".

Mr. Ron Marcoux: (See Exhibit #12)

Mr. Ron Curtis: (See Exhibit #16)

Mr. Dennis Cavanaugh: The reason that I can stay in business is because I can float many rivers. My clients enjoy a variety of rivers. If I were to choose two rivers, I would lose business. And many outfitters would chose the most popular rivers in the state, that could cause extra pressure on those rivers. I do not see where this bill is solving any problems. I don't believe that it was well thought out.

Mr. Curnow: Occasionally we see a bill in the legislature that addresses a problem, but comes out doing the opposite. This bill would hurt the resources of the Big Hole, the Madison and the Beaverhead and Yellowstone Rivers. During two or three weeks of the season those rivers are impossible to fish. But if we have all of those outfitters declare the same rivers, that would put added pressure on those rivers and damage the resource.

Mr. Shores: Several years ago the Dept. of Fish, Wildlife and Parks tried this type of legislation on the Madison River and found it to be very ineffective. Many of our local businesses have made a living by offering a variety of rivers to choose from. We feel that this bill would limit free enterprize.

Mr. Nelson: I support the views of those that testified before me.

Mr. McNevitch: My friends come to visit and enjoy a "Montana Experience". A person who books a trip with a guide should be allowed that same privilege.

Mr. Davey: I believe that this bill will have the opposite effect than was intended. This bill will create a demand on certain rivers, and the concentrations of guides on these rivers. The fish population and the water resource will be effected.

Questions From Committee Members:

REP. KASTEN: How do you foresee the extension of the authority in this bill? REP. DAILY: This bill would extend rulemaking authority to the Dept. of Fish, Wildlife and Parks. And the way that I would like to see the regulation handled would be some type of sticker, or decal on the boats. But of course this would best be handled by the Dept. REP. KASTEN: Assuming that you have an "open ended" statement of intent, how would you foresee the enforcement of this bill? RON MARCOUX: My understanding is that this would be administered by the Board of Outfitters. And the Dept. would not be involved in the designation, nor the actual enforcement aspect.

REP. EUDAILY: Do you really feel in your heart, that what this bill is asking the outfitters to do is right? REP. DAILY: When you speak of an area like the Bob Marshal, maybe something else could be done, perhaps this is not practical. I am not so dead set that I am not willing to make this work.

REP. KASTEN: Your definition of a river would be? REP. DAILY: A river, not the tributaries. REP. KASTEN: Then tributaries would be rivers unto themselves? REP. DAILY: Yes, that is correct.

REP. DEBRUYCKER: How would you regulate the rivers, how would you determine which outfitter gets what river? REP. DAILY: My intention is to give the outfitter his free choice as to which river. The possibility exists that maybe all of them would choose the Big Hole. I doubt that. And I would think that the outfitters would choose the rivers that would be closer to the areas that they reside in.

REP. EUDAILY: Someone had handed me a resolution, and that would put this off up to two years down the road. But would this study accomplish what you want? REP. DAILY: That would be a possibility. I have talked alot with Stan Bradshaw about the resolution on several occasions, and I suppose that I would not be strongly opposed to the idea. My only problem with that is, when we start funding resolutions, is there a possibility for funding? I doubt it, that is my concern. If you should choose to kill the bill, I would hope that at least we would do something.

REP. ELLISON: You suggested that you don't have much authority to regulate floating on the rivers presently. Could you give us some insight on what you think might help. RON MARCOUX: Currently, the Dept. can close rivers to fishing from boats, we have some net effect on limiting use. And on the Smith River we are looking at some regulations of use, we propose to cap the numbers of outfitters and total days of use. We anticipate some legislation this session. How

harvesting of lynx. We had this bill last session and lost it, due to opposition from the Trappers Assoc. The Dept. of Fish, Wildlife and Parks regulates how many lynx are taken, and because of this, allowing the hounds to chase them would not change that number. I ask for your support.

Testifying Proponents and Who They Represent:

Mr. Bud Martin/ State Houndsmen Association

Mr. Greg Kooska/ Missoula, MT

Mr. Ron Marcoux/ Dept. Fish, Wildlife and Parks, Helena

Mr. Dick Wilson/ Denton, MT

Mr. Bob Scott/ Helena

Mr. Danny Cook/ President, Mont. Federation of Houndsmen

Ms. Sandy Settin/ Emigrant Kennel Club

Mr. John Simons/ Frenchtown, MT

Proponent Testimony:

Mr. Martin: We asked Rep. Phillips to carry this bill for us. We felt that the lynx was omitted from the houndsmen by error. As far as alot of the houndsmen in the state are concerned, treeing a lynx would not necessarily mean that we would shoot it. My enjoyment is in the dogs, the chase and taking pictures of the animals.

Mr. Kooska: If this bill passes it will not have a great impact on the state lynx population. I would like to legally be able to chase and catch a lynx.

Mr. Ron Marcoux: (See Exhibit #22)

Mr. Wilson: We feel the word lynx was omitted when the original law was passed. They are regulated anyway and as far as hurting the resource, you just will not.

Mr. Scott: We should have the same right as anyone else to chase the lynx. You can trap them, you can shoot them but you cannot chase them. We should have that same opportunity.

Mr. Cook: We support this bill.

Ms. Settin: We love to run our hounds, we spend alot of money supporting and caring for them. If we could chase the lynx we would be helping the economy.

Mr. Simons: I have hounds and I would like the privilege to run

to do this on a state-wide basis, of that I am not certain, but I believe that we would prefer to look at it on a river by river basis.

Closing by Sponsor:

REP. DAILY: I appreciate the testimony that was presented by both sides, and I believe that we did get some good discussion. I believe that there is a problem, and this needs to be addressed. The Big Hole River became un-floatable this summer and there were proposals made by different people to close that river. I attended a meeting to discuss that proposal. I can tell you, the outfitting industry opposed that closure. In my opinion, I don't think they were thinking about the resource when that happened. I don't think they were thinking about the future. I have tried to get statistics as to the number of outfitters and guides in this state, there are no numbers. I believe that we need to develop good information, on some of these streams that are fished rather heavily. I would encourage Mr. Marcoux to give some of that administrative money to the people who work on the Big Hole River, so that they can do that. It is difficult to make decisions without good, accurate data. I would hope that this bill would pass, and I believe that it is well intended. If you choose not to and you should choose to look at the study resolution then I would want this resolution to consider more than anything else, the resident fisherman. We need to be concerned about him.

DISPOSITION OF HOUSE BILL 520

Motion: Rep. Phillips motioned a "do pass". Rep. Raney motioned for a substitute motion "to table".

Discussion: Rep. Eudaily questioned the resolution that was presented to the Committee by FFOAM and asked if anything could be done regarding that. Chairman Ream agreed to look at the resolution with the appropriate persons and agencies. Rep. Phillips reiterated that he wanted to keep the resident fishermen in mind in working with the resolution.

Amendments, Discussion, and Votes: none

Recommendation and Vote: THEREFORE THE COMMITTEE RECOMMENDS TO
"TABLE" THIS BILL.

HEARING ON HOUSE BILL 356

Presentation and Opening Statement by Sponsor:

REP. PHILLIPS; I represent House District #33, Great Falls. This bill is no stranger to anyone. The Montana Houndsmen Association asked me to present this. To simply ask that they be allowed to use their hounds in the chase and

them if it were made legal.

Testifying Opponents and Who They Represent:

none

Opponent Testimony:

none

Questions From Committee Members:

REP. KASTEN: Tell me a little about licensing? RON MARCOUX: I don't have figures on total trappers licenses. An idea as far as the lynx hunting is concerned, we limit the number to one per trapper. We have district quotas, and once they are reached, we shut the hunt down. We have fairly heavy restrictions on lynx hunting within the state. The houndsmen would essentially have the same opportunity to hunt the lynx, and would be controlled.

REP. REAM: A "chase season" would mean a chase only and not taking the animal? RON MARCOUX: Yes, that is correct.

Closing by Sponsor:

REP. PHILLIPS: The Dept. (Dept. Fish, Wildlife and Parks), would be setting the rules. It is not going to destroy the resource. The houndsmen are there to hear those dogs bark and watch them run, that is their sport. I think we should give them that privilege.

DISPOSITION OF HOUSE BILL 356

Motion: Rep. Phillips motioned a "do pass".

Discussion: none

Amendments, Discussion, and Votes: none

Recommendation and Vote: THE COMMITTEE THEREFORE RECOMMENDS A "DO PASS" FOR THIS BILL.

HEARING ON HOUSE BILL 662

Presentation and Opening Statement by Sponsor:

REP. RICE: House District 43, Helena. You may have heard lately about the plight of our state parks system. One of the problems that we have realized, is the revenue lost with the "Golden Years Pass". This was established for the benefit of the senior citizen and disabled. Under the present law, they just have to purchase a one time pass for the amount of \$1.00 and receive free life-time camping in our state park

system. As you can see, this is a tremendous loss of revenue. And especially with the ever increasing age of our population and the increasing costs of upkeep to the park system. We are estimating that over the next biennium, the loss in revenue will accumulate about \$230,000.00, so you can see that this will become a real drain. What this bill would do is to allow the Dept. (Dept. of Fish, Wildlife and Parks) to better regulate the use of the senior citizen and disabled discounts. By allowing a 50% break in the camping fees that are assessed. I think that everyone, including the senior citizens, realize the one dollar lifetime free camping is out of reason. This bill corrects that problem.

Testifying Proponents and Who They Represent:

Mr. Ron Marcoux/ Dept. Fish, Wildlife and Parks

Mr. Gene Pigeon/ Good Sam Club, MT

Mr. Robert Vanderveer/ Helena

Mr. Lloyd Anders/ East Helena, senior citizen

Mr. Hal Manson/ Helena, senior citizen

Ms. Janet Ellis/ Montana Audubon Legislative Fund

Rep. Grady/ District 47, Helena, co-sponsor

Proponent Testimony:

Mr. Marcoux: (See Exhibit #18)

Mr. Pigeon: I represent over 4,500 members, we spend alot of time camping around the state. We work in alot of these parks, cleaning and maintaining them. Under the Federal Law, seniors can apply and get into any state park for half of the posted fee. We feel that this should be done here in our state parks. The state does need that revenue.

Mr. Vanderveer: I think this is a good bill, but the fee should be changed to 25% instead of the 50%.

Mr. Anders: I am a member of three R.V. (Recreational Vehicle) chapters in the state. We realize that if you get something you have to pay for it, and it would be reasonable to pay the 50%. We are willing to pay our fair share.

Mr. Manson: This one dollar fee is nice, but the trouble is that we cannot afford it in the state. If we do not have good recreational areas that we can use then the break isn't very important. I think even with the 50% we will get a bargain, no matter what the age or the ability. At this time Canyon Ferry camping area cannot be maintained as it is presently. And because of that it may have to change hands.

If we can avert that, it will be well worth the 50%.

Ms. Ellis: Many businesses give senior discounts for movies, meals, etc. But they are just that, discounts. They are not giving the service for free, you cannot run a business like that. Parks are not a business in the traditional sense, however, they are financially strapped at this time. And Montana just cannot afford to not charge for it's parks. Our National Park Service has a similar program, and gives the golden age and disabled a 50% discount. We would support this as a smart move to build a better park system within the state.

Rep. Grady: My main intention, as a co-sponsor of this bill, is that we are at a cross-roads in regard to our state park system. We need to be going in the right direction to try to get our park system where it should be. I think that there are very few free lunches anymore, and all of us have to pay our fair share to put our parks back where they should be. I think this bill will help. We need everything we can and the senior citizens agree, they are willing to help out.

Testifying Opponents and Who They Represent:

none

Opponent Testimony:

none

Questions From Committee Members:

REP. ELLISON: How does the one dollar fee system work presently?

MR. DAVE CONKLIN: (Dept. of Fish, Wildlife and Parks; Program Development Bureau Chief, Parks Division) When a senior pays the fee and receives the pass, anyone in the vehicle will be admitted to the park under that pass. Currently each camp site is allowed two vehicles, and that would be covered under the pass. Right now we find wide spread abuse of the system, and it is difficult to track.

REP. KASTEN: What would the figures be on the 50% discount? MR. CONKLIN: For the past several years our fees range from \$2.00 to \$5.00, and this would be a 50% discount from that fee. The fees may remain as such for the next year.

REP. EUDAILY: Is that per person? MR. CONKLIN: It typically would be per camp site, and each site allows two vehicles with many people per vehicle. REP. EUDAILY: On Sub 2, page 2, it states "per person". Would there be any possibility of misinterpretation? MR. CONKLIN: That is possible, we are currently putting a new manual together and we could correct that. MR. MARCOUX: We would offer to come up with some wording to help correct that.

Closing by Sponsor:

REP. RICE: waived his closing to the Committee.

DISPOSITION OF HOUSE BILL 662

Motion: Rep. Kasten motioned a "do pass".

Discussion: none

Amendments, Discussion, and Votes: Rep. Keller motioned to move amendments (See Attached Standing Committee Report), the amendments were passed. Rep. Eudaily questioned the wording of the bill in reference to the camp site and numbers of persons included in the pass. Chairman Ream noted that the researcher will check into the legality and correct. Rep. Keller noted that he requested an immediate effective date.

Recommendation and Vote: THE COMMITTEE THEREFORE RECOMMENDS A "DO PASS AS AMENDED" FOR THIS BILL.

HEARING ON HOUSE BILL 383

Presentation and Opening Statement by Sponsor:

REP. ELLISON: House District 81. This bill is in request of the Dept. of Fish, Wildlife and Parks. It revises some of the hunting statutes, and I will let the Dept. explain any details.

Testifying Proponents and Who They Represent:

Mr. Ron Marcoux/ Dept. Fish, Wildlife and Parks, Helena

Mr. Bud Martin/ Florence, MT

Mr. Danny Cook/ Ft. Benton, MT

Proponent Testimony:

Mr. Ron Marcoux: (See Exhibit #19)

Mr. Martin: I would like to see this bill pass solely for the benefit of the female mountain lion. I do not believe that we should harvest as many as we do, there is a quota system, but I would like to see it lowered. The Dept. has done a good job of managing the mountain lion. But for every female mountain lion that we kill, we also kill her off-spring.

Testifying Opponents and Who They Represent:

Mr. Bud Martin/ Montana State Houndsmen Association

Mr. Dick Wilson/ Denton, MT.

Ms. Sandy Settin/ Emigrant, MT.

Opponent Testimony:

Mr. Martin: (speaking on behalf of the Montana State Houndsmen Association as an opponent) We asked the Dept. last year to establish this \$150.00 trophy fee for females or establish a quota system. They have established a quota system, and therefore the Houndsmen Assoc. would oppose this bill.

Mr. Wilson: We originally proposed a 50 dollar trophy on male and female mountain lions. And at one time, thought we need the 150 dollar fee on the female, to stop the killing of them. Now we have found that the killing has stopped, and we are virtually overrun with females in alot of areas. We have done what we wanted, against the wishes of the Dept. Quotas are on the females, this has made a race on the mountain lion, rather than an enjoyable experience. We are opposed to the quotas and the increase. Lion deprivation complaints have jumped from 18 to 85 in three years since this quota has started.

Ms. Settin: In spirit, this bill is good. I don't think the quota system is a bad idea.

Questions From Committee Members:

REP. PHILLIPS: It seems that the problem with the female of the breed depends on what area you live, is that true? MS.

SETTIN: That is all a matter of personal opinion.

REP. KELLER: If we increase the fee, would we have fewer lion hunters? MR. MARCOUX: I know, by the fiscal note, that we would expect a 10% decrease. We would have to wait and get the experience, usually you find a general net reduction.

REP. KELLER: Would you outline the procedure of regulating the male and female hunts. MR. MARCOUX: Once the female quota has been filled the male hunt is still open. We have had some problem with some hunters unable to identify the male from the female, we would hope that the hunter would take the time to identify.

Closing by Sponsor: REP. ELLISON: waived a closing.

DISPOSITION OF HOUSE BILL 383

Motion: Rep. Hanson motioned a "do pass".

Discussion: none

Amendments, Discussion, and Votes: Amendments proposed by Rep. Keller and were discussed throughout the committee. (Please refer to attached Standing Committee Report) The amendments were voted on and passed.

Recommendation and Vote: THE COMMITTEE THEREFORE RECOMMENDS A 'DO PASS AS AMENDED' FOR THIS BILL.

DISPOSITION OF HOUSE BILL 6

Motion: Rep. Phillips motioned "to table".

Discussion: none

Amendments, Discussion, and Votes: none

Recommendation and Vote: THEREFORE THE COMMITTEE RECOMMENDS TO "TABLE" THIS BILL.

ADJOURNMENT

Adjournment At: 6:45 p.m.



REP. BOB REAM, Chairman

BR/mc

3805.min

DAILY ROLL CALL

FISH AND GAME

COMMITTEE

51st Session - Legislative Council

Date February 14th

HB 662/356/383/520

NAME	PRESENT	ABSENT	EXCUSED
Bob Ream, Chairman	✓		
Jim Elliott, Vice-Chair	✓		
Robert Blotkamp	✓		
Ben Cohen	✓		
Fritz Daily	✓		
Gene DeMars	✓		
Bob Pavlovich <i>Gervais</i>	✓		
Bob Raney	✓		
Bill Strizich	✓		
Roger DeBruycker	✓		
Orval Ellison	✓		
Ralph Eudaily	✓		
Marian Hanson	✓		
Betty Lou Kasten	✓		
Vernon Keller	✓		
John Phillips	✓		

DATE: Feb. 14th 1989

MR. SPEAKER: WE, THE COMMITTEE ON Fish and Game
REPORT THAT, BILL # H306 WAS TABLED ON THIS DATE.

SIGNED: Bob Ream
BOB REAM, CHAIRMAN

ROLL CALL VOTE

FISH AND GAME

COMMITTEE

DATE 2/14 BILL NO. HB06 NUMBER

NAME	AYE	NAY
Rep. Blotkamp	✓	
Rep. Cohen	Ø	
Rep. Dally	Ø	
Rep. DeMars	✓	
Rep. DeBrucker	✓	
Rep. Ellison	✓	
Rep. Eudaily	✓	
Rep. Elliott	✓	
Rep. Gervais	✓	
Rep. Hanson	✓	
Rep. Kasten	✓	
Rep. Keller	✓	
Rep. Phillips	✓	
Rep. Raney	✓	
Rep. Ream	✓	
Rep. Strizich	✓	

TALLY

(14)

maureen Cleary
Secretary

Chairman

MOTION: up phillips "to table"

(table)

ROLL CALL VOTE

FISH AND GAME

COMMITTEE

DATE _____ BILL NO. HB 356 NUMBER _____

NAME	AYE	NAY
Rep. Blotkamp	✓	
Rep. Cohen	✓	
Rep. Dally	✓	
Rep. DeMars	✓	
Rep. DeBrucker	✓	
Rep. Ellison	✓	
Rep. Eudaily	✓	
Rep. Elliott	✓	
Rep. Gervais	✓	
Rep. Hanson	✓	
Rep. Kasten	✓	
Rep. Keller	✓	
Rep. Phillips	✓	
Rep. Raney	✓	
Rep. Ream	✓	
Rep. Strizich	✓	

TALLY

(14)

maureen Cleary

Secretary

Chairman

MOTION: Rep. Phillips "do pass"

[do pass]

ROLL CALL VOTE

FISH AND GAME

COMMITTEE

DATE 2/14/89 BILL NO. HB 383 NUMBER _____

NAME	AYE	NAY
Rep. Blotkamp		✓
Rep. Cohen	✓	
Rep. Daily	✓	
Rep. DeMars	✓	✓
Rep. DeBrucker		✓
Rep. Ellison	✓	
Rep. Eudaily	✓	
Rep. Elliott	✓	
Rep. Gervais	✓	
Rep. Hanson	✓	
Rep. Kasten	✓	
Rep. Keller	✓	
Rep. Phillips	✓	
Rep. Raney	✓	
Rep. Ream	✓	
Rep. Strizich	✓	

TALLY

maureen Cleary
Secretary

Chairman

MOTION: motion: Hansen "do pass"
Hansen "amends" (14)
Keller "amend — strike 45 proposed" (720)
Raney
blotkamp
debrucker
Ream
Strizich
DO PASS AS AMEND

DATE: FEB 14, 1989

MR. SPEAKER: WE, THE COMMITTEE ON Fish and Game
REPORT THAT, BILL # HB 447 WAS TABLED ON THIS DATE.

SIGNED: Bob Ream/McClary
BOB REAM, CHAIRMAN

Bob Ream

ROLL CALL VOTE

FISH AND GAME

COMMITTEE

DATE 2/14 BILL NO. HB 447 NUMBER

NAME	AYE	NAY
Rep. Blotkamp	✓	
Rep. Cohen	Ø	
Rep. Daily	Ø	
Rep. DeMars	✓	
Rep. DeBrucker		✓
Rep. Ellison	✓	
Rep. Eudaily		✓
Rep. Elliott	✓	
Rep. Gervais	✓	
Rep. Hanson		✓
Rep. Kasten	✓	
Rep. Keller		✓
Rep. Phillips		✓
Rep. Raney	✓	
Rep. Ream	✓	
Rep. Strizich	✓	

TALLY

9

5

maureen Cleary

Secretary

Chairman

MOTION:

up ellison "table"

DATE: Fri, 14th

MR. SPEAKER: WE, THE COMMITTEE ON Fish and Game
REPORT THAT, BILL # HB520 WAS TABLED ON THIS DATE.

SIGNED: Bob Ream
BOB REAM, CHAIRMAN

ROLL CALL VOTE

FISH AND GAME

COMMITTEE

DATE

2/14

BILL NO.

HB 520

NUMBER

NAME	AYE	NAY
Rep. Blotkamp	✓	
Rep. Cohen	✓	
Rep. Daily	✓	✓
Rep. DeMars	✓	
Rep. DeBrucker	✓	
Rep. Ellison	✓	
Rep. Eudaily	✓	
Rep. Elliott	✓	
Rep. Gervais	✓	
Rep. Hanson	✓	
Rep. Kasten	✓	
Rep. Keller	✓	
Rep. Phillips	✓	
Rep. Raney	✓	
Rep. Ream	✓	
Rep. Strizich	✓	

TALLY

14

maureen Cleary

Secretary

Chairman

MOTION:

rep. raney "do table"

rep. phillips "do pass"

Table

ROLL CALL VOTE

FISH AND GAME

COMMITTEE

DATE 2/14/89

BILL NO. HB 662

NUMBER _____

NAME	AYE	NAY
Rep. Blotkamp	✓	
Rep. Cohen	✓	
Rep. Daily	✓	
Rep. DeMars	✓	
Rep. DeBrucker	✓	
Rep. Ellison	✓	
Rep. Eudaily	✓	
Rep. Elliott	✓	
Rep. Gervais	✓	
Rep. Hanson	✓	
Rep. Kasten	✓	
Rep. Keller	✓	
Rep. Phillips	✓	
Rep. Raney	✓	
Rep. Ream	✓	
Rep. Strizich	✓	

TALLY

(15)

maureen Cleary

Secretary

Chairman

MOTION:

rep. Kasten: "do pass" as amend
rep. Keller: "immed. off. dt." } (14)
amend

rep.

[do pass amend]

2/15/89
8:50
70

STANDING COMMITTEE REPORT

February 15, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Fish and Game report that
HOUSE BILL 356 (first reading copy -- white) do pass.

Signed: Bob Ream

Bob Ream, Chairman

2-15-89
8:50
J.C.

STANDING COMMITTEE REPORT

February 15, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Fish and Game report that HOUSE BILL 383 (first reading copy -- white) do pass as amended .

Signed: Bob Ream
Bob Ream, Chairman

And, that such amendments read:

1. Title, lines 10 and 11.

Strike: "INCREASING THE TROPHY FEE FOR A FEMALE MOUNTAIN LION TO \$150,"

2. Title, line 12.

Strike: "87-2-507, 87-2-508,"

3. Title, line 13.

Following: "PROVIDING"

Insert: "AN"

Following: "EFFECTIVE"

Strike: "DATES"

Insert: "DATE"

4. Page 2, line 16.

Following: "~~exceed~~"

Insert: "a fee not to exceed"

5. Page 3, line 23 through page 5, line 19.

Strike: sections 4 and 5 in their entirety

Renumber: subsequent sections

6. Page 5, lines 24 and 25.

Strike: "(1) [Sections 1 through 3 and this section] are"

Insert: "[This act] is"

7. Page 6, line 2.

Strike: subsection (2) in its entirety

75-2
100-1000
7-6

STANDING COMMITTEE REPORT

February 15, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Fish and Game report that
HOUSE BILL 662 (first reading copy -- white) do pass as
amended .

Signed: Bob Ream
Bob Ream, Chairman

And, that such amendments read:

1. Title, line 6.

Strike: "AND"

Following: "MCA"

Insert: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

2. Page 2, line 3.

Following: "for"

Insert: "a campsite rented by a"

3. Page 2, line 11.

Following: line 10

Insert: "NEW SECTION. Section 3. Effective date. [This act] is
effective on passage and approval."

RE. House Bill 520

I am opposed to this bill because it will restrict my activities as a float-fishing outfitter. I myself need to remain flexible in the trips that I may offer at any given time, both to cope with weather conditions and the desires of my clients.

My wife and I recently purchased a motel in Whitehall, Mt., and of primary consideration in this purchase was Whitehall's close proximity to six different rivers.

EXHIBIT #1
DATE 2/14/89
HB 520

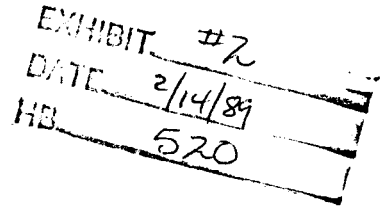
Larry Geiger
Box 814
Whitehall, Mt.
59759



High Plains Outfitters

MIKE BAY • 31 DIVISION ST. • HELENA, MONTANA 59601 • (406) 442-9671

February 14, 1989



OPPOSED TO HB 520

Representative Ream and Members of the Fish & Game Committee:

I am strongly opposed to HB 520, introduced by Representative Daily. It seems to be a blatant attempt to exclude others from the use of our rivers.

We who float Montana's rivers have seen a big increase in the number of craft on the waters. While the number of outfitters and their clients has increased, the numbers of private craft in-state and out-of-state have exploded. If Representative Daily wants less people on the big Hole and other rivers, he should consider a study to limit everyone, not just people who use outfitters' services.

Limiting my business to two rivers would have a devastating effect on my livelihood which is even more obvious given the last couple of dry years. An outfitter needs the flexibility of taking his clients to fishable rivers or he will lose them and his reputation. I feel Representative Daily would serve the Big Hole and its fish better by working to keep some water in the river rather than keeping fishermen off of it.

The salmon-fly hatches do draw an influx of all floaters public and outfitted, but this is one of the boom times for small communities like Melrose and Wise River. My observation is that the outfitted client is not the person who "kills his limit" but the one who releases every fish, with reverence.

Please reject this bill, or you will put many outfitters out of business and cause a switch to more outfitters who outfit part-time during specific hatches. I feel this would lead to more outfitters who would supply poor services for our out-of-state guests.

Thank you,

Mike Bay
Mike Bay



EXHIBIT #3
DATE 2/14/89
HB 520

Arnold "Smoke" Elser,
President

3800 Rattlesnake Drive
Missoula, MT 59802
(406) 549-2820

MONTANA OUTFITTER & GUIDE'S ASSOCIATION
TESTIMONY OPPOSING HOUSE BILL 520

Our Association opposes House Bill 520. It puts the legislature in a position of limiting private enterprise and into the role of business managers.

This bill discriminates against the outfitting profession and their clients who have purchased valid Montana Fishing Licenses usable in all Montana streams open for fishing. Working under this bad bill a professional outfitter could be easily put out of business. For example, after having selected his "two rivers" on which to provide fishing services, an outfitter could find at any point in his season that his rivers have an inadequate water flow and fishing on these rivers would damage the resource. He would have no choice other than to lay off crew, refund deposits and perhaps even be forced out of business. This bill restricts where a business can or cannot operate in the State of Montana. I would hate to suggest that a contractor licensed in the State of Montana could only build a house within his own city or maybe within a certain area of that city. That is exactly what you would be doing to an outfitter's business if this bill should pass and you restrict him to two fishing areas.

Please give this bill an unfavorable report. It has not been well thought out, will seriously cripple the outfitting industry and would be difficult, if not impossible to enforce. We feel it is an obvious attempt to harass the outfitting industry.

Arnold Smoke Elser
President M.O.G.A.



EXHIBIT #4
DATE 2/14/89
HB 520

Dear members of the Committee:

Although I cannot attend the meeting today on H.B. #520, I would like you all to know that we are strongly against this bill, which would limit fishing outfitters like ourselves to the use of two rivers.

We employ and book trips for fifteen different outfitters during the summer months. To limit each outfitter to two streams or rivers would severely effect, in a negative manner, both our business and the business of those working for us.

We must fish different streams and rivers throughout the season, taking advantage of water conditions, and fishing conditions. Our clients want to fish with one guide on various waters during their trip to Montana and limiting them to two rivers would create big problems for us and a lot of bad feelings in terms of our customers.

I feel that in the interest of attracting more fishermen and clients to come to Montana and promote tourism in general, this is a bad bill. Certainly for individual outfitters that are only in the fishing business, this bill could be disastrous.

Trying to regulate fishing pressure in this manner is wrong. Even if you could reduce the number of outfitters or guides on a particular river, public fishing pressure will increase quickly to existing usage levels - to fill the gap, so to speak.

On another tack, if a bill of this nature is passed, it will surely be challenged in court, much the same as the outfitter limitation on the Madison river was a few years ago. The Fish & Game Dept. came to the conclusion that this kind of outfitter limitation was unlawful and simply did not work.

Sincerely,



George Anderson

President, Yellowstone Angler
Outfitter's Lic. #175

MONTANA'S Master Angler

TOM & KRYL TRAVIS
Proprietors

P.O. Box 1320 — 124 N. Main Street, Livingston, Montana 59047
Ph. (406) 222-2273



February 14th, 1989

Honorable Chairman & Member of the House
Fish & Game Committee

Subject: HB 520 The Outfitter, Two Rivers Bill

EXHIBIT #5
DATE 2/14/89
HB 520

My name is Thomas M. Travis and I own and operate Montana's Master Angler, a retail fly fishing tackle store in Livingston, Montana. I also operate a Fishing and Hunting Guide Service and have done so for the past 11 years.

I have been allowed to build my business on the use of many Lakes, Rivers, & Stream accross the state of Montana. I have an investment in Materials, Time and Knowledge which I need to compete in the market place. Now HB Bill 520 would strip me of my rights and cause great harm to my business.

I feel that HB 520 is ill-advised and poorly constructed. I feel that this Bill would create many problems yet solve none. It would in fact crowd Outfitters on to a few major rivers in the state (These rivers would be chosen based on an ability to offer a year round service). Also What defines a River? What about those Outfitters who offer wading type fishing trips? Are the two rivers chosen the only place an outfitter could offer fishing guide services, What about guiding on Lakes? Does the Bill limit the number of new outfitter license issued? This bill will solve nothing yet create problems. Is the intent of this bill in fact legal under state & federal constitutions?

Outfitters are business men/women, why are we trying to limit that business and right of free trade. The Outfitter Industry is a viable part of Montana's Tourist Industry, and industry which is growing stronger each year. One of the reasons the tourist industry is growing is that Outfitters from Montana criss-cross the country each year, acting in a sense as good-will Ambassadors for the state inviting people to come and enjoy the recreational opportunities that this state has to offer. These people not only use guides and spend their dollars in tackle shops but they also Buy Gas, Rent Motel Room, Shop in our local stores and so forth. Why attempt to damage the one segment of Montana's economy which is strong and growing stronger each year.

The Two Rivers Bill, makes as much sense as telling Stock Growers that they must choose between sheep or cattle, or only allowing two gas stations in any given city or town. Outfitters are business people and should be treated as such. To date the number of floating craft on any given River has not caused a fisheries problem. So why have a bill that creates rather than solves problems.

Many of the Outfitter businesses has been establish on multi-river use and this is the way it should be in a free and competitive market place. I would ask that the committee to please vote against HB 520. Thank you for your time and an opportunity to voice my concerns.

Sincerely,



DAVID L. KUMLIEN, Proprietor

1716 WEST MAIN STREET • BOZEMAN, MONTANA 59715 • (406) 587-4707

February 14, 1989

EXHIBIT #6
DATE 2/14/89
HB 520

Montana Legislature
House of Representatives
House Fish and Game Committee
Attn: Chairman Bob Ream

Dear Bob,

Due to business commitments, I am unable to attend the hearing on House Bill 520, and I would ask that my written testimony be included as part of the hearing record.

I strongly oppose HB 520 for several reasons. First, the Big Hole River, which this bill is supposedly designed to protect, has neither a biological problem nor any real social problems as a result of outfitter use of the river. I have included excerpts from a Fish and Game study from 1983 which clearly shows that even at the period of heavy use, the outfitter use of the river is only 20-25% of the total use. In addition, once the salmon fly hatch passes a section of the river, use drops off to almost nothing and stays that way for the rest of the summer. HB 520 represents massive overkill for a problem that not only doesn't exist, but, if it does, is not caused by outfitters.

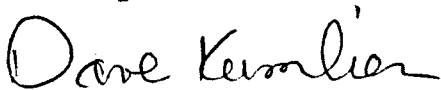
The second reason I oppose 520 is that the Big Hole fishery is well protected by special fishing regulations and is under continuous study by fish and game. In fact, based on the most recent fish census information and talks with Dick Oswald, Fish and Game biologist, the Big Hole is in excellent biological condition save for the effects of last year's drought which has nothing to do with fishing pressure.

My third reason for opposing the bill is that the effect of 520 is to create an illegal restraint of trade. The bill does nothing to limit my clients who might want to fish the Big Hole from going with another outfitter. So, the net effect of the bill is to take business from me and shift it to "one of the chosen few." I have recieved a legal opinion substantiating this viewpoint which I will pursue should this bill be passed.

Finally, I oppose this bill because even if some problem does exist, the 520 approach is not the correct one. I served for a year on a Boat Use Study Committee created by then Governor Tom Judge. The committee was made up of Attorney John Scully, myself, Ron Marcoux of Fish and Game, Roland Cheek, outfitter from Columbia Falls and several others. We thoroughly studied the problems of boat use both in Montana and in other states. Our conclusion was that in virtually every other instance where use had become a problem, the situation was handled on a river by river basis and with a much more thorough study than has been made to support HB520.

In conclusion, I urge you to vote against this bill. It's true purpose is questionable, and there are virtually no facts to support HB520's purported intent. This bill does not deserve to see the light of day. Please stop it in your committee so that both you and I may get on to more important matters.

Sincerely,

A handwritten signature in cursive script that reads "Dave Kumlien". The signature is written in dark ink and is positioned above the typed contact information.

Dave Kumlien, owner
Montana Troutfitters Orvis Shop
1716 W. Main Street
Bozeman, MT 59715
(406)587-4707

A Treatise on the Effects of the
Emergence of the Salmon Fly (*Pteronarcys*
californica) on the Big Hole River and the
Population Dynamics of Melrose, Montana

June, 1983

Methods

A creel census was conducted on the Big Hole River at the Melrose bridge from June 14-19, 1983. By some coincidence, the salmon flies were emerging during this same time period. The purpose of the census was to interview fisherman who had floated through the special management section (Divide to Melrose) and ascertain their success (or lack of it) and fishing pressure. The census was completed through the able assistance of Wayne Black, Chris Clancy, Bruce Rehwinkel, Jeff Bagdanov, and Fred Nelson to whom the author extends his gratitude.

Results-Float Trips

	Tue 6/14	Wed 6/15	Thur 6/16	Fri 6/17	Sat 6/18	Sun 6/19
Private Floats	<u>25</u>	<u>23</u>	<u>67</u>	<u>78</u>	<u>76</u>	<u>47</u>
Commercial Floats	<u>2</u>	<u>3</u>	<u>17</u>	<u>24</u>	<u>14</u>	<u>33</u>
Daily Total	<u>27</u>	<u>26</u>	<u>84</u>	<u>102</u>	<u>90</u>	<u>80</u>

A total of 409 float trips ($\bar{x}$ = 68/day) were tallied over the 6 day census period. Private floats totaled 316 (77.3%) while commercially guided floats totaled 93 (22.7%). The peak of the boat hatch occurred on Friday, June 17. The guide hatch peaked Sunday, June 19.

Results-Fisherman

	Tue 6/14	Wed 6/15	Thur 6/16	Fri 6/17	Sat 6/18	Sun 6/19
Res. Fishermen	<u>57</u>	<u>54</u>	<u>150</u>	<u>173</u>	<u>182</u>	<u>111</u>
Non-Res. Fishermen	<u>9</u>	<u>12</u>	<u>50</u>	<u>74</u>	<u>51</u>	<u>85</u>
Daily Totals	<u>66</u>	<u>66</u>	<u>200</u>	<u>247</u>	<u>233</u>	<u>196</u>
Hrs. of Recreation	<u>201</u>	<u>223</u>	<u>678</u>	<u>1112</u>	<u>1048</u>	<u>929</u>

A total of 1008 fisherman-trips ($\bar{x}$ = 168/day) were tallied over the census period. Resident fishermen composed 72.1% of the total while non-residents amounted to 27.9%. A total of 4191 fishing recreation hours were logged during the six days of the census. The resident fisherman hatch peaked on Friday and Saturday while non-residents had a strong emergence on Sunday.

Results-Fish

	<u>Tue</u> <u>6/14</u>	<u>Wed</u> <u>6/15</u>	<u>Thur</u> <u>6/16</u>	<u>Fri</u> <u>6/17</u>	<u>Sat</u> <u>6/18</u>	<u>Sun</u> <u>6/19</u>
Released Brown Trout	<u>32</u>	<u>155</u>	<u>299</u>	<u>171</u>	<u>177</u>	<u>193</u>
Released Rainbow Trout	<u>23</u>	<u>174</u>	<u>371</u>	<u>245</u>	<u>186</u>	<u>251</u>
*Other Species Released	<u>3</u>	<u>11</u>	<u>14</u>	<u>40</u>	<u>33</u>	<u>47</u>
Fish Harvested	<u>7</u>	<u>4</u>	<u>4</u>	<u>17</u>	<u>18</u>	<u>10</u>
Daily Totals	<u>65</u>	<u>344</u>	<u>688</u>	<u>473</u>	<u>414</u>	<u>501</u>

*Brook and Cutthroat Trout, Grayling and Whitefish

A total of 2485 boated fish were reported during the census period. Most of these fish were released with the total harvest composing only 2.4% of the reported take. Fish caught during the census period were dominated by rainbow (51.5%) and brown trout (42.5%). The peak of the fish hatch occurred on Thursday, June 16.

Results-Success

	<u>Tue</u> <u>6/14</u>	<u>Wed</u> <u>6/15</u>	<u>Thur</u> <u>6/16</u>	<u>Fri</u> <u>6/17</u>	<u>Sat</u> <u>6/18</u>	<u>Sun</u> <u>6/19</u>
Fish Boated per Float	<u>2.4</u>	<u>13.2</u>	<u>8.2</u>	<u>4.6</u>	<u>4.6</u>	<u>6.3</u>
Fish Boated per Fisherman	<u>1.0</u>	<u>5.2</u>	<u>3.4</u>	<u>1.9</u>	<u>1.8</u>	<u>2.6</u>
*Fish Boated per Hour	<u>0.3</u>	<u>1.5</u>	<u>1.0</u>	<u>0.4</u>	<u>0.4</u>	<u>0.5</u>

*Not corrected for oarsman

Reported fisherman success was quite good overall. The success (or lie) hatch peaked on Wednesday, June 15.

Results-Trophy Fish

Trophy fish results can't be rigidly quantified due to the fact that no fish in excess of 22 inches was brought into the census station. The following should be evaluated in light of the piscatorial prevericator's paradise afforded by catch and release. The big fish of the census was a 26" brown trout reported as the only fish caught on a Saturday float from Divide. Also on Saturday, one 24" fish, three 21.5" fish and four fish in excess of 20" were reported. The big fish emerged on Saturday, June 18.

Results-Salmon Flies

The salmon flies emerged at Melrose on Wednesday, June 15, making the author look like a prophet. The hatch stalled around Maiden Rock where it still was on Monday, June 20, making the author look bad.

EXHIBIT # 7
DATE 2/14/89
HB 520

Subject: HB 520

Jack D Hutchison, Executive Director, Fishing & Floating Outfitters Association of Montana (FFOAM)

The fishing industry in Montana is still in its infancy. As growth occurs FFOAM recognizes that there will be problems associated with that growth. To address these possible problems we have already volunteered to work with the newly formed Board of Outfitters and the Department of Fish, Wildlife and Parks. Both these entities are in the process of defining the current problems of the industry and establishing a mechanism for handling future problems as they occur. Gathering background data, sizing the problem, and then proposing a solution is the logical way to arrive at an answer to a problem that will do the most good and harm the fewest people. HB 520 shows none of these elements. On the contrary it will do a great deal of harm to ~~many~~ many Montanans.

Most of the fishing outfitters operate on a very narrow margin. Eliminating any part of their business will literally put them out of business. In my case it is the guiding that puts me over the top financially each year. I moved from Bozeman to Sheridan with full knowledge that it was only the proximity of five rivers that would draw tourist to the town. After four years my idea is beginning to show a profit. We even have a motel in Sheridan. If I lose the right to use the five rivers, I will lose my shop. It is as simple as that. The fishermen that stay at the Moriah Motel will no longer have a reason to use Sheridan as their fishing headquarters. The retail business generated by these people will be lost at a time when main street retailers can not afford another piece of bad news. These are not idle comments. You have a letter from our Chamber of Commerce to this effect.

There are programs ~~in~~ currently being worked on that will result in recommendations on the future management plans for our rivers. Examples of this are the Smith River Management plan and the Big Hole 5 year management plan. The Big Hole study just started this past fall. A member of this committee is participating in the formulation of that plan, Rep Fritz Daily. It does not make sense to me that any law should be put in place to change the use pattern of a river ~~without~~ the results of studies designed to identify and correct the problems occurring on that river.

In Summary; Let the Department of Fish, Wildlife and Parks and the Board of outfitters do their job. With all the faults we may think the department has, it is still the best fisheries manager ~~in~~ the US. If you are not satisfied with their performance, make them do it again and again until they get it right, Do not take it out of their hands.

Do not allow a bill to go forward until you are absolutely sure that, 1) it will solve the problem it portends to solve and, 2) that it will not unnecessarily harm individuals and the economy.

EXHIBIT #8
DATE 2/14/89
HB 520

RESOLUTION

Proposed by the Float Fishing Outfitters of Montana
In response to HB 520

WHEREAS the float-fishing outfitting industry is an increasingly important part of Montana's tourist industry;

WHEREAS the continued vitality of the float-fishing outfitting depends upon maintaining the highest standards of professionalism among float outfitters and guides; and

WHEREAS the maintenance of the highest professional standards depends upon the promulgation of rules pertaining to the performance of float-fishing outfitters and guides and upon the vigorous enforcement of those rules and regulations;

WHEREAS members of the public have expressed concern about growing conflict between float-fishing outfitters and recreational fishermen on Montana's rivers;

THEREFORE, THE LEGISLATURE RESOLVES AS FOLLOWS:

(1) To encourage the Board of Outfitters to form an interim committee composed of representatives of the float-fishing outfitting industry, recreational fishermen, and representatives of the department of fish, wildlife, and parks to consider the following aspects of the outfitting industry:

(a) the existing rules and regulations that apply to float-fishing outfitters;

(b) the kinds of complaints received by the department of commerce, DFWP, and any other law enforcement officials regarding the violation of outfitting laws and regulations as they pertain to float-fishing outfitters and guides;

(c) the enforcement of the outfitting laws and regulations as they pertain to float-fishing outfitters and guides, with specific examination of follow-through by the department of commerce and DFWP in the investigation and prosecution of violations of the outfitter laws and regulations;

(d) examination of laws and regulations pertaining to float-fishing outfitting in other states.

(2) to request the Board of Outfitters to report back to the 1991 legislature with the committee's findings and recommendations for measures needed to improve the professionalism of the float-fishing outfitting industry, or to otherwise resolve conflicts between float-fishing outfitters and guides.

RUBY VALLEY CHAMBER OF COMMERCE

BOX 613

SHERIDAN, MONTANA 59749

EXHIBIT #9
DATE 2/14/89
HB 520

February 9, 1989

Chairman
House Fish & Game Committee
Capital Station
Helena, Montana 59620

RE: HB 520

Dear Committee Members:

WE STRONGLY PROTEST the HOUSE BILL 520 placing limits on outfitters to two stream access.

It is our opinion this action would seriously hamper MONTANA TOURISM and place the outfitters in jeopardy.

Thank you for your consideration.

Sincerely,

Kathleen Baril

Kathleen Baril
President of RVCC

EXHIBIT #10
DATE 2/14/89
HB 520

Rep. Bob Ream, Chair
Capital Station
Helena, MT 59620

February 11, 1989

Dear Rep. Ream:

HB 520 if passed would effectively put PRO out of business. For over twenty years our advertised motto has been "Be on the Right River at the Right Time". We often book clients for a particular date in early winter and then just prior to or upon arrival of the clients we choose from up to fifteen different streams as to where the best place to take those clients is. In making this decision we take all current conditions into effect: water conditions, hatches occurring, weather, fishing pressure, and client preference.

If we had to choose two rivers, no matter what rivers we chose, we would at times be forced into taking clients on water which was unfishable due to high, cold water or which was too low and warm. Catching and releasing fish from rivers which are low and warm is difficult and it puts undue stress on those fish which are caught and released. Our only other alternative is to turn the clients away.

This bill will not do what its proponents hope. Extra guides would be hired by outfitters to handle the clients which wish to fish a particular river at a particular time. Most outfitters would be forced to choose as their two rivers those major trout fisheries such as the Madison, Big Hole, Missouri, Big Horn, and others. It is very likely that pressure on these streams would increase.

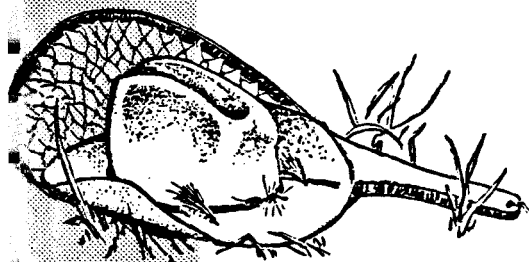
On another note, rumor has it that an incident involving our base camp on the Big Hole had something to do with this bill being drafted. For the record, PRO guides have not been on the Big Hole since 1986. We have only had one base camp on the Big Hole, and that was years ago. Whatever the alleged incident involves, PRO is not the party involved.

I respectfully ask for your opposition to this ill conceived bill. Thank you.

Sincerely,



Paul S. Roos, PRO Partner



2/U

Jim & Pam Allison

Box 88

Ennis, Montana 59729

CA

EXHIBIT #11
DATE 2/14/89
HB 520.

February 9, 1989

Bob Ream, Chairman
Fish and Game Committee
Capital Station
Helena, Montana 59620

Dear Mr. Ream;

I would like to have the following letter entered into the Fish and Game Hearing on HB520 Tuesday, February 14, 1989.

I am opposed to HB520. It will be taking away part of your livelihood without due process and it will be discriminating against Fishing Outfitters.

Please defeat this bill.

Sincerely,

Jim Allison

Jim Allison
Box 88
Ennis, Montana 59729

cc: Representative Robert Hoffman
Senator John Anderson

HB 520
February 14, 1989

EXHIBIT # 12
DATE 2/14/89
HB 520

Testimony presented by Ron Marcoux, Department of Fish, Wildlife & Parks

This bill is an apparent attempt to limit the amount of outfitting use on rivers. The department recognizes that heavy use and social conflicts exist on some rivers between bank and boat fishermen and even among boat fishermen. Fishermen often blame outfitters for creating this problem, but in reality, concentrated use by all fishermen, particularly at key times of the year, is the issue.

We have reservations about this bill because it will not necessarily limit floating use on streams. While it would force outfitters to pre-select two rivers, an increase in the total number of outfitters may occur on certain high quality rivers. There is no limit on the number of trips taken by individual outfitters, nor on non-outfitted floaters. Non-outfitted floaters generally make up the majority of trips on most streams.

If outfitters selected two streams which subsequently became dewatered during the summer, they could be forced to continue fishing these streams or go out of business. If outfitters selected to shift to rivers which are floatable during low water years, there could be greater impacts on the fishery and the potential for more social conflict.

The department is in the process of developing management plans for a number of rivers in Montana. Among the issues addressed are amount and type of use, fishing regulations, access, etc. We have developed plans on the Big Horn and Smith rivers, and are currently working on Rock Creek and the Missouri River. The level of floating use is an issue on three of those streams. However, because each stream is different, the solutions to the problem will likely be different.

The management planning process would appear to be a more appropriate way to identify problems and solutions. The department's ability to implement solutions which would regulate floating use is extremely limited at this time, and will ultimately require legislation. The department believes it may be more appropriate to initially deal with this issue on a stream-by-stream basis rather than attempt to resolve it through HB 520.

WITNESS STATEMENT

EXHIBIT #13
DATE 2/14
HB 520NAME John MAKI BUDGET _____ADDRESS 655 Granite Helena, MontanaWHOM DO YOU REPRESENT? John MAKISUPPORT _____ OPPOSE X AMEND _____COMMENTS: I oppose the Bill #520

because as a Montana
River Outfitter for 12 years, it
would be impossible for me
to operate a successful business
on only 2 rivers. It's difficult
enough on 6-8 - There are too
many variables, water flow, temp, &
insect hatches, to name a few that
dictate which river we should be
on - at any given time. We depend
on Repeat business each year and
most of these folks like to fish
different rivers from year to
year.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

EXHIBIT 14
DATE 2/14/89
HB 520

WITNESS STATEMENT

NAME Joe Murphy BUDGET _____
ADDRESS 21 N. Benton Helena
WHOM DO YOU REPRESENT? Self
SUPPORT _____ OPPOSE X AMEND ✓
COMMENTS: HB 520

Amend to provide for minimum instream
flows — with adequate flows in all rivers
I think you would find that the problem would
solve itself. That is the outitters would
disburse to the river(s) of their choice primarily
to avoid other outitters

Keep the rivers in the river. Recreation is
good business for Montana - non-polluting
non-subsidized industry.

Rep. Dally's testimony addressed only the Big
Hole River - there are other rivers

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

EXHIBIT 15
DATE 2/14/89
HB 520

February 14, 1989

Rep. Bob Ream, Chair; Members of the Committee
House Fish and Game Committee
Rm 312-3
HB 520 TESTIMONY in OPPOSITION by PAUL ROOS

HB 520 if passed would do major injury to the outfitter industry and would not alleviate fishing pressures on our major rivers.

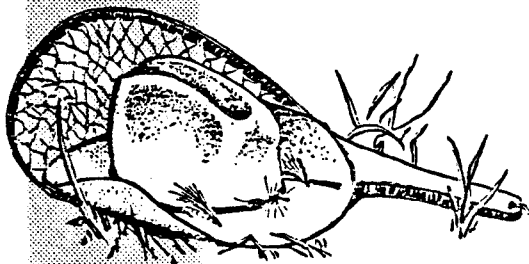
Our business makes a practice of booking clients for a particular date and then just prior to or upon arrival of the party we choose from up to fifteen different streams as to the best place to take those clients. In making that decision we take all current conditions into effect: water conditions, hatches occurring at the time, weather, fishing pressure, and informed client preference.

If we had to choose only two rivers, no matter what rivers we chose, we would at times be forced into taking clients on water which would not provide our clients with a quality fishing experience.

Presently, fishing outfitters take clients on scores of streams in Montana. If this bill passed, outfitters would be forced into choosing their two rivers from the limited list of major fisheries such as the Big Hole, Madison, Big Horn, Missouri, Yellowstone, and the Beaverhead. Then instead of having the pressure spread over many rivers and small streams as it is now, the result would be increased guided public on those major rivers. I doubt if this is what the proponents want as a result of this bill.

In conclusion, HB 520 would negatively impact the outfitter industry and would increase the fishing pressure on our major trout fisheries by concentrating most if not all fishing outfitters onto those few rivers. This ill conceived bill should not see the light of day.

Thank you.



TESTIMONY HB520

EXHIBIT 16
DATE 2/14/89
HB 520

The Board of Outfitters opposes HB520. We do not oppose this bill because we fail to believe the validity of the concerns expressed here, but rather because we believe HB520 is not the correct approach to mitigating the concerns.

The Board of Outfitters was created by the last Legislature, and has been in place only 16 months. The Board has required, with the renewal of 1989 licenses, that outfitters specify the services they provide and where they provide those services. In the past, no one has even known how many float fishing outfitters we have or where they operate. We are now compiling this new information and will use it to make good sound decisions on future outfitter administration. When you (the Legislature) created the Board of Outfitters, we believe you did so because you wanted the Board to use it's technical expertise to regulate and administrate the outfitting industry. HB520 circumvents the Board's technical expertise and hampers the Board's ability to do the job you mandated us to do. We believe these concerns should be carefully studied, information gathered and evaluated and appropriate regulation or legislation proposed, with input by all effected parties.

Let's look at the bill itself. It is a very small addition to the law; however, this change is effected by other parts of the statutes. We don't believe it ties in well with the rest of the law. A scenario of some things that might happen under HB520 are:

An outfitter wanting to float a river he wasn't licensed to float could work as a guide for an outfitter licensed to float that river. This is legal under the current statutes. This would, no doubt, be a reciprocal agreement so now there are 2 outfitters legally floating 4 rivers each. As few as 6 outfitters working together, each signing guide licenses of the other 5 to guide on his 2 rivers could, under HB520, legally operate on every major river in the state.

How about the enterprizing outfitter who, for a price, would sign guide licenses for other outfitters to use "his" rivers. This bill would encourage illegal outfitting by both licensed and unlicensed outfitters.

Enforcement of HB520 would be virtually impossible. The law would not limit use on any river because less outfitters could and would just hire more guides or outfitters to serve the clients that wanted to float that particular river. The bill does nothing for the resource, would put more use on the most popular rivers and hurts the quality of service provided by the outfitters.

Introduction of this bill has already served the best purpose it ever can...that of bringing the concerns voiced within it to the attention of those who can best address them.

I encourage you to vote against HB520.

Thank you,

Ron Curtiss, Chairman
Speaking for the Board of Outfitters

Chamber Of Commerce

February 13, 1989

Box 291

Ennis, MT 59728-0291

AC (406) 682-4388

Legislator Bob Ream
Chairman, Fish & Game Committee
House of Representatives
Helena, Montana 59601

EXHIBIT 17
DATE 2/14/89
HB 520

The Honorable Bob Ream:

On behalf of the Ennis Chamber of Commerce and representing our area fishing guides and outfitters, we would like to enter this letter in official testimony.

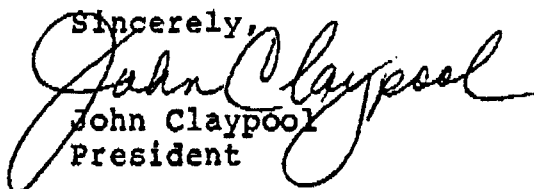
This testimony is in reference to House Bill 520 which proposes limiting outfitters to two rivers when providing fishing services.

We oppose the passing of House Bill 520 for the following reasons:

1. Several years ago the Montana Department of Fish, Wildlife and Parks tried this type of limitation on the Madison River and found it to be ineffective.
2. Many guides in our area depend on four or five rivers for their livelihood. This is necessary due to weather conditions such as drought, spring run off, etc. The outfitters should have the option of going someplace else when their chosen river is unfishable.
3. We feel that if only two rivers may be selected, there will be a higher concentration of fishermen on prime rivers such as the Madison. This causes us concern about the long term effects on the fish habitat and on the whole ecology of the river.
4. Many of our local fishing shops have based their business on offering a variety of fishing experiences on many rivers in Southwestern Montana. We feel strongly that to limit business in the way proposed by House Bill 520 would in fact limit free enterprise.

Thank you for your consideration.

Sincerely,


John Claypool
President

HB 662
February 14, 1989

EXHIBIT 18
DATE 2/14/89
HB 662

Testimony presented by Ron Marcoux, Department of Fish,
Wildlife & Parks

The Department of Fish, Wildlife & Parks supports HB 662 which would bring our senior citizen and disabled camping fee discounts into line with current practice in Forest Service and National Park campgrounds, as well as state parks in most other states, by offering a 50% discount rather than totally exempting overnight camping fees.

Department field studies in 1986 have shown that as much as \$129,000 of earned revenue is foregone annually as a result of fee waivers presently mandated by Section 23-1-105. Our population is aging as well, and net loss for the next biennium is estimated at \$360,000.

This bill would reduce that loss to an estimated \$64,000 per year. That savings would be used by the Parks Division to reverse the deteriorating condition of many of our camping facilities and provide the quality of service our guests expect for their money.

Approximately 26% of our overnight guests now qualify for the existing fee exemption, which is not based on income or ability to pay. During our recent public hearings on state park entry fees, we received numerous letters and testimony that the existing golden years and disabled fee exemptions are highly discriminatory to the three-fourths of our guests who have low and average incomes, yet must pay all of the costs.

This bill would not only make these discounts more equitable, but would also make them less costly to the public and easier for the department to administer by coordinating them and eliminating the requirement for a specific pass which the department must print, consign, sell, and be accountable for.

We support the passage of HB 662 and would ask that it be amended to become effective upon passage so that we may integrate it into our 1989 annual fee rule to reduce the confusion which would be caused by delayed implementation.

EXHIBIT #19
DATE 2/14/89
HB 383

HB 383
February 14, 1989

Testimony presented by Ron Marcoux, Department of Fish, Wildlife & Parks

The department supports HB 383. This bill is to reverse and clarify the hunting and fishing license statutes as to 15-year old waterfowl hunters, submitting multiple applications for special permits and increasing the trophy fees for taking female mountain lions.

The current statutes, by omission, seem to exclude 15-year old hunters from hunting waterfowl. Section 87-2-103 makes it unlawful to hunt any game bird without a license. Section 87-2-805 provides for 12 through 14-year olds to hunt game and migratory game birds with only a \$2 conservation license. Section 87-2-411 requires any person 16 years of age or older to purchase a waterfowl stamp to hunt waterfowl.

This bill amends Section 87-2-411 to read 15 years of age, clarifying that 15 year olds can hunt waterfowl with valid state waterfowl stamp with this amendment.

Our age and license requirements will be the same for upland and migratory game bird hunters.

The proposed amendments to Section 87-2-104 will specifically prohibit applicants from submitting more than one application per species for special license and permit drawings. Each year we receive multiple applications for elk, deer and other big game licenses and permits from individual hunters. Current statutes are vague as to this practice being unlawful and a misdemeanor. Therefore, multiple applications from a single applicant are presently limited to removal from the drawing process.

Charges of violation of this act may be filed in the county of origin, or in unknown or originating outside Montana, charges may be filed in the county wherein the application was received by the Department of Fish, Wildlife & Parks.

The proposed amendments to Section 87-2-507 and 508 were the result of several public hearings concerning the management of mountain lions in Montana. The status of this species has evolved from a predator in which \$50 bounties were paid in 1962 to designation as a big game animal and finally as a big game trophy species in 1971. These changes have reflected a growing public appreciation and concern for sound management of this species.

Today there is more interest in hunting mountain lions than ever before, and this interest is not expected to diminish. Because of the potential to overharvest lions, it is important to carefully

regulate their harvest. This has resulted in harvest quotas for both male and female lions in several hunting districts.

Increasing the trophy fee to \$150 for female lions was one of the proposals made by the houndsmen to encourage concentration on the male segment of the population, thus ensuring viability of the lion population and increased hunter opportunity.

Finally, on a minor point, the department needs to reinsert some language regarding duplicate licenses that is presently being amended out in this bill. The department assumed that no license cost less than \$5. However, conservation licenses, turkey and paddlefish tags and senior, youth and disabled deer licenses all cost less than \$5. Therefore, to avoid charging more for a duplicate license than the original cost of these licenses, the language proposed in the attached amendment should be inserted back into the bill.

AMENDMENT TO HB 383
INTRODUCED (WHITE) COPY

1. Page 2, line 15.

Following: "of"

Insert: "a fee"

2. Page 2, line 16.

Following: "license"

Reinsert: "not to exceed"

EXHIBIT #20

DATE 2/14/89

HB 520

Amendments to House Bill No. 520
Introduced Reading Copy

Requested by Representative Daily
For the Committee on House Fish & Game

Prepared by Doug Sternberg, Committee Staff
February 6, 1989

1. Title, line 6.

Following: "PERIOD;"

Insert: "PROVIDING FOR AN ALTERNATE CHOICE IN CASE OF EMERGENCY;"

2. Page 3, line 12.

Following: "(5)"

Insert: "(a)"

3. Page 3, line 18.

Following: line 17.

Insert: "(b) If in the board's discretion an emergency condition develops that renders a designated river unfloatable during a license year, the board may, upon request of a licensee, allow the licensee to choose an alternate Montana river upon which to provide fishing services during the period of licensure."

HB 356
February 14, 1989

EXHIBIT #21
DATE 2/14/89
HB 356

Testimony presented by Ron Marcoux, Department of Fish, Wildlife and Parks.

The Department of Fish, Wildlife and Parks is not opposed to adding lynx to the list of species that may be pursued with dogs.

Through the years we have supported the hunting of mountain lions and bobcats with the use of dogs and feel that the experience with this hunting has been acceptable to the public and has not unduly affected the resource. The Commission has allowed extensive "chase seasons" for recreational and dog training purposes with little adverse effect on the resource.

Since the lion, bobcat and lynx generally overlap in range and habitat in much of the area, no measurable adverse impact is anticipated.

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION
COMMITTEE ON BUSINESS AND INDUSTRY

Call to Order: By Chairman Gene Thayer, on March 14, 1989,
at 10:00 a.m., room 410

ROLL CALL

Members Present: Chairman Thayer, Vice Chairman Meyer,
Senator Boylan, Senator Noble, Senator Williams,
Senator Hager, Senator McLane, Senator Weeding,
Senator Lynch

Members Excused: None

Members Absent: None

Staff Presnet: Mary McCue, Legislative Council

Announcements/Discussion: None

HEARING ON HOUSE BILL 355

Presentation and Opening Statement by Sponsor:

Representative Cohen, House District 3, distributed handouts for committee members. (See Exhibit #1) He said a representative of the African Development Bank had contacted him, and asked if he would be interested in carrying this legislation. He said the same representative had also contacted Senator Crippen, in regard to carrying the bill on the Senate floor.

Representative Cohen referred to page three of exhibit #1, which was a letter of support written on behalf of the African Development Bank. He said the African Development Bank was a bank that initially consisted of the black African nations. He stated that early in this decade, those nations found a lack of financing for desired projects, and they had approached the governments of the United States, Great Britain, and some of the Western European countries to ask if these other nations would join with the African development planning. He said they were seeking help to fund some of the development projects in the third

world countries. He said the United States Government had joined them in 1982. He stated that the bonds issued by the African Development Bank were all triple A and double A rated, and were a very secure investment. He said HB 355 simply amended a section in the insurance code to allow an insurer to make investments in the African development organizations. He stated that nearly forty states had already endorsed this legislation, and it was being considered in a number of others. He said that exhibit #1 contained substantial support for the bill.

List of Testifying Proponents and What Group They Represent:

Senator Bruce Crippen - Senate District 45

List of Testifying Opponents and What Group They Represent:

None

Testimony: Senator Crippen said he was the co-sponsor of HB 355, and he would not expand upon what Representative Cohen had said. He stated that as co-sponsors, they had told Mr. Aronofsky, who testified in the House committee, that they didn't feel it was necessary for him to be present for this hearing. He said the one concern of the State Auditor's Office had been resolved, and he thought HB 355 was a very good piece of legislation. He said he felt the legislation would put Montana in the main stream for national institutions to invest in these bonds. He said he would be happy to carry the bill on the Senate floor.

Questions From Committee Members: Senator Hager asked if there was any reason to believe that passage of HB 355 would take money from Montana projects? Senator Crippen said he didn't believe so, and he thought this would offer another area of investment. He said Montana law restricted the areas of investment, and bonds had to have a substantial bond rating. He said he didn't think that funds would necessarily be going into other projects.

Senator Lynch stated that there had been an attempt to avoid the effective on passage and approval language within bills, and asked if that language was that timely in HB 355? Senator Crippen said he thought it was, but he did realize there was an effort for one effective date.

Representative Cohen told Senator Lynch he understood the problem, and didn't think there was anything that critical within the effective date. He said the matter

just hadn't come up in the House, and he had no objection to a October 1 date.

Senator Crippen said he did think the application of the legislation was going to be somewhat restrictive in nature, and he felt those who qualified for its use were already aware of the legislation. He said HB 355 was not as critical to be generally noticed.

Closing by Sponsor: Representative Cohen said he had copies of the concerns which Mr. Borchardt had expressed. (See Exhibit #2) He stated that HB 355 presented another well secured operation for insurers in Montana, and it gave an additional vehicle for investment. He said he did not see any reason to delay the effective date.

DISPOSITION OF HOUSE BILL 355

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator Lynch made a motion HB 355 BE CONCURRED IN. Senator Boylan seconded the motion. The motion Carried Unanimously. Senator Crippen carried the bill on the Senate floor.

HEARING ON HOUSE BILL 662

Presentation and Opening Statement by Sponsor:

Representative Rice, House District 43, said he thought everyone was aware of the plight of the state park system, and the problems with financing. He said HB 662 dealt with the tremendous discounts which were presently in statute for camping fees. He said the legislation only dealt with the camping fees that had been in existence for a long time, and not the user fee adopted by the Fish and Game Commission. He said one particular discount was to senior citizens, and it allowed them to pay a one time fee of one dollar, and they received free lifetime camping in the state park system. He stated that, in itself, was a tremendous expense, and the discount was also extended to the disabled as well. He said they were finding that it was a wonderful benefit which could no longer be afforded, if there was to be adequate maintenance of the state park system.

He said HB 662 would reduce that particular benefit, and technically they were doing away with the Golden Years Pass. He said the bill was simply granting the Department authority to allow discounts at the rate of fifty percent of the normal camping fees. He stated that this was in line with the discount given in the federal parks, and would make the discount consistent. He said he felt everyone did recognize that the one time, one dollar fee for lifetime camping was unaffordable for the state park system.

He said he thought the fiscal note was a little misleading, because it showed passage of HB 662 resulting in \$53,000 per year in additional park revenue. He said that should be added into the dollars they would save from program expenses for administering the Golden Years Pass, which would be a savings they would realize. He said the total impact would be approximately \$60,000 annually.

List of Testifying Proponents and What Group They Represent:

Ron Marcoux - Department of Fish Wildlife and Parks
Gene Phillips - Good Sam Club
Self - Private Citizen
Lloyd Anderson - East Helena RV Group
Janet Ellis - Montana Audubon Legislative Fund

List of Testifying Opponents and What Group They Represent:

Martin Lukes - Great Falls, Montana, (Telephone Call to Chairman Thayer)

Testimony: Ron Marcoux said they supported HB 662, as it would bring our senior citizen and disabled camping fee discounts in line with current federal laws. He went on to read his testimony in Exhibit #3.

Gene Phillips said he, and his group were in support of HB 662. He said Good Sam members were presently paying the proposed fifty percent fee on a federal basis. He said they felt that having the one half fee for state parks was a good idea, and would help get the state parks upgraded, and make a few more facilities available. He said the Good Sam members spent a lot of time working around campgrounds, and were very supportive of HB 662.

Lloyd Anderson said they knew that facilities had to be paid for and maintained, and they supported a fair and equitable approach to the problem. He stated that they paid the one half fee for federal parks, and felt the

SENATE COMMITTEE ON BUSINESS AND INDUSTRY

March 14, 1989

Page 4 of 16

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Lloyd Anderson said they knew that facilities had to be paid for and maintained, and they supported a fair and equitable approach to the problem. He stated that they paid the one half fee for federal parks, and felt the

same state fee would be OK with his group.

Janet Ellis said their group followed the park system's issues. She said many businesses gave senior discounts, and she wanted to emphasize that they were discounts. She stated that no one could run a business, by not charging fees. She said that even though state parks weren't a business in the traditional sense, Montana could not afford to not charge. She said the parks were currently, financially strapped, and the facilities were going to suffer. She stated that she thought this was a logical bill to have, and it did parallel the national park service, and the U.S. Forest Service practices.

Chairman Thayer told the committee he had a telephone call from Martin Lukes, who had asked to be recorded as an opponent of the bill.

Questions From Committee Members: Senator Lynch said he assumed that the people had bought the dollar license, with the understanding they had a lifetime exemption. He said it seemed that could not be taken away, and asked if they were grandfathered in? Representative Rice said they were not. He said the rationale was that a one dollar investment was not a major investment, and didn't seem to be a significant enough factor to have to administer any type of refund, or discern who had those passes.

Senator Lynch said he had a concern that anyone who wanted to challenge, could. He stated that the passes had been purchased in good faith, and that it was a lifetime pass. Representative Rice said he had no way of knowing if anyone would challenge, but he didn't feel it was a big problem.

Senator Noble asked if there was some way the dollar fee could be refunded on the daily fee, when the pass was presented and relinquished? Representative Rice said he hadn't thought about it, but maybe that was an answer if there was going to be a problem.

Senator Williams asked how long the Golden Years Program had been in affect? Ron Marcoux said it had been approximately ten years.

Closing by Sponsor: Representative Rice said he closed.

DISPOSITION OF HOUSE BILL 662

Discussion: Senator Lynch said there was no question that if you agreed to a lifetime fee, those people had every right to expect the lifetime privilege. He said to just take it away was looking for trouble. He said he thought the only thing that could be done, was grandfather the purchasers of a lifetime golden pass, and require the one half price fee from newcomers to the age group.

Senator Meyer said he agreed.

Mary McCue said she thought that was a legitimate question, however to have a valid contract there had to be a consideration. She said it seemed to be more of a benefit conferred by the state of Montana.

Senator Lynch said a dollar down on a quick deed, constituted a valid contract.

Mary McCue stated that was true, and a good point.

Dave Conklin, Chief of program planning for the parks division, said the golden years pass cost one dollar and that was basically an administrative charge. He said the bill tried to coordinate that with the disabled discounts. He said the department was concerned about the equity to the user.

Chairman Thayer asked about the fact that one legislature could not bind a future legislature? He said the federal government repeatedly withdrew future benefits, such as IRS benefits. He said he felt it was a real gray area.

Mary McCue said that in order to have a contract, the parties had to be thinking that this was an agreement being entered into, and each party was to receive a consideration in exchange. She said she really wondered if people thought the one dollar was making a contract, or were they simply giving one dollar to pay the administrative costs for a benefit the state was conferring. She said it was probably a good lesson, that the state probably should not confer a benefit for a specific charge. She said the problem would not exist, if the one dollar charge had not been made, and only the benefit had been conferred.

Senator Hager asked if there was any language stating that the passes would not be honored? He said he understood

that the whole section was being stricken, so no one would be able to buy those passes any more, but he did not see language to state that existing passes could not be used. Mary McCue said the intent stated that they would not be able to use the passes.

Senator Lynch asked what the impact would be if the existing passes were grandfathered in? Mr. Conklin said they were finding that twenty-four percent of their camping use was by exempt people.

Senator Meyer asked if they could somehow allow existing pass holders to be grandfathered in, and restrict the number of guests each pass exempted. Mary McCue said that was a part of the original contract, and referred to a vehicle pass, and not to individuals.

Chairman Thayer asked if the department had reviewed the bill with any legal personnel? Mr. Conklin said their legal staff didn't have a problem with the bill, because they had interpreted it as an administrative fee. He said that was why, when a later amendment added the disabled, they had opted not to issue a pass which would require printing and reissuing of the passes.

Chairman Thayer said the change had to be made, or the problem would continue forever.

Senator Weeding asked if they could hold the bill for another day, to see what could be worked out?

Mr. Conklin suggested a possible rebate.

Senator Lynch said the only way the bill would work, was to say from this day forward, and refrain from issuing any more one dollar lifetime fees.

Chairman Thayer said he thought it was the consensus of the committee, to hold the bill for another day.

Amendments and Votes: None

Recommendation and Vote: Senator McLane made a motion HB 662 BE CONCURRED IN. Senator Noble seconded the motion.

Senator McLane withdrew his motion, to allow time for clarification to be made. Senator Noble withdrew his second.

HEARING ON HOUSE BILL 483

Presentation and Opening Statement by Sponsor:

Representative Driscoll, House District 92, said HB 483 expanded the port authority. He said that presently, a port authority could only be established to develop and maintain ports, transportation and storage facilities, and HB 483 would allow them to get involved in any economic development which would promote the general welfare and well being of the citizens of the area.

He said the language at the bottom of page 5 and the top of page 6 was to clarify that ports could not get involved in supporting private organizations. He said they may want to consider an amendment to make the language a little clearer.

He said page 8, lines 8 through 12 stated that if port authorities were not successful, and lost money or went broke, the general credit of the state, county, or municipal government was not pledged to bail them out. He said port authorities received money from revenue bonds, and federal grants, to fund their operation.

He said he felt the bill had enough safeguards to protect local and state governments, and would promote business in the area.

List of Testifying Proponents and What Group They Represent:

Cal Cumin - Economic Development Director, Yellowstone County
Kay Foster - Billings Chamber of Commerce
Grace Edwards - Yellowstone County Commissioner
Jim Tutwiler - Montana Chamber of Commerce
Chris Gallus - Butte Silver Bow

List of Testifying Opponents and What Group They Represent:

None

Testimony: Cal Cumin said port authorities had been in existence for about fifty years, internationally, and their primary function was to aid commerce. He said they were a unit of local government, and had considerable powers. He said that in addition to operating warehouses and transportation facilities, they could also become involved in free trade loans, foreign trade loans, had a permissive tax levy ability of up to two mills, could issue revenue bonds, were eligible for federal loans from block grant funds, and had the powers of a corporation. He said that as

powerful as they were, existing Montana law extremely limited them. He stated that HB 483 proposed to loosen those extreme limitations, by allowing them to include any economic development activity.

He stated that HB 483 provided more tools for the local economic development activities, by providing a partnership of the public powers and private initiative, keyed to economic development in Montana. He said it worked hand in hand with local development organizations, and the development corporations defined in Montana law. He said the bill was drafted with an acute awareness of the impact of the White Decision. He stated that no state funds were required to enact the bill, and if it passed, it would benefit everyone in the state.

Kay Foster said they worked in coordination with an economic development corporation of Billings, called Forward Billings, and they were all in support of the proposed changes in the port authority. She said it would be beneficial to communities with port authorities, but would also broaden economic development throughout Montana.

Grace Edwards said she spoke in support of HB 483, because they thought it would encourage development on the county level, and have a regional affect. She said they felt it would have a broad overall affect on the entire area, to help other counties which surrounded them.

Jim Tutwiler stated that previous testimony had spoken to the bill's merits, and they would ask to be on record as firmly in support of HB 483.

Chris Gallus said they supported HB 483. He said that in Butte, their port authority, local government, and economic development corporation already were working closely together. He said this bill would strengthen their ability to do so, and aid the economic development programs around the state.

Questions From Committee Members: Senator Williams asked if the two mill permissive levy was levied in Yellowstone County, or the city of Billings? Cal Cumin said it would be county-wide, and it was already in existence now.

Chairman Thayer asked Representative Driscoll if he had specific language he wished to use for the amendment he suggested on pages 5 and 6? Representative Driscoll

said the House amendment had made the language confusing, and the intent was that the port authority could not borrow money and give it to a private organization.

Chairman Thayer asked if that was to take care of the White Decision? Representative Driscoll said it was, and it would also prevent a competition situation from developing, when help was being rendered to various corporations.

Chairman Thayer stated that Mary McCue had found a typo on page 8, line 12, and there would probably be a technical amendment needed there.

Mary McCue said the word organization had been misspelled. She said the last sentence in the added material, was already in the Development Corporation Act, and she wondered if the language was needed in both places? Representative Driscoll said he would let Mary McCue make the needed changes.

Closing by Sponsor: Representative Driscoll said that if they found favor with the bill, he thought Senator Crippen or Senator Keating would probably agree to carry it on the Senate floor.

DISPOSITION OF HOUSE BILL 483

Discussion: None

Amendments and Votes: None

Recommendation and Vote: None

HEARING ON HOUSE BILL 577

Presentation and Opening Statement by Sponsor:

Representative Simon, House District 91, said HB 577 was a companion bill to HB 483. He said HB 577 dealt with local development corporations and he would let Cal Cumin explain how the bill worked.

List of Testifying Proponents and What Group They Represent:

Cal Cumin - Economic Development Director, Yellowstone
County
Kay Foster - Billings Chamber of Commerce

Grace Edwards - Yellowstone County Commissioner
Shelly Lane - Director, Administrative Services for the
City of Helena

List of Testifying Opponents and What Group They Represent:

None

Testimony: Cal Cumin said that with the slight changes suggested by HB 577, local development corporations were one of the tools which Montana communities could more fully utilize for economic growth. He said HB 577 amended existing development corporation law, and would allow a local development corporation to accept investment funds from local governments or authorities. He said the funds then became part of the capital utilized by the local development corporation, to attract private capital to be combined with state grants to accumulate a sizeable amount of capital. He said HB 577 had also taken the White Decision in consideration, and addressed the specific issues within the Decision. He said HB 577 would benefit all existing and future organizations in Montana, who were trying to do economic development, and did not require any state funding.

Kay Foster said they supported the comments made by Mr. Cumin, and said she felt expansion of more cooperation between local government and local government funding entities would lead to more economic development.

Grace Edwards stated that Mr. Cumin was their consultant, and he was speaking for them, and Yellowstone County supported the bill.

Shelly Lane said the mayor and city commissioner pledged their support to economic development, and recognized the important role that development corporations could play in the area. She said that allowing development corporations to borrow from municipal agencies or authorities was viewed by the commission, as a positive change. She said the city urged them to support HB 577.

Questions From Committee Members: Senator Williams asked if the passage of both bills would allow levying of the two mills, to be put into the port authority to loan money to the development corporations? Cal Cumin said he didn't think you would want to put all of the money into a local development corporation, because it may be looked at as unfunded financing.

Senator Williams asked if there was a need for matching funds within the development corporation, in order to receive money from the port authority? Mr. Cumin said there was no provision for that. He said the purpose was to pool money from all available sources.

Chairman Thayer asked why the White Decision was mentioned in both of these bills? He said the Decision dealt with bonding, and there was no bonding involved in these bills. Cal Cumin said there was an exception to the authority's borrowing capacity, and that was for providing financial support of private organizations through the issuing of bonds. He stated that tax levied money could not be invested in private development activity, and that was what the White Decision had dealt with. He said that was why the redundant language had to be cleared up, so that the bond council would not have a question as to the meaning.

Chairman Thayer asked if there would be a test case for both of these pieces of legislation? He said that if you had bonds, there had to be a test case. Cal Cumin said they did not have any plans to do that, because with directors, that could be avoided.

Closing by Sponsor: Representative Simon thanked them for a good hearing, and said he appreciated the proponents support. He said they were trying to supply the necessary tools to create jobs in Montana. He said they would appreciate their favorable support, and perhaps Senator McLane would carry the bill on the Senate floor.

DISPOSITION OF HOUSE BILL 577

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator Noble made a motion HB 577 BE CONCURRED IN. Senator Boylan seconded the motion. The motion Carried Unanimously. Senator McLane carried the bill on the Senate floor.

HEARING ON HOUSE BILL 591

Presentation and Opening Statement by Sponsor:

Representative Phillips, House District 33, said HB 591 would allow the child support division to exchange

debtor information with the credit reporting agencies. He said there was already existing law, but HB 591 was for the purpose of streamlining that law. He stated that current technology was available to exchange electronic tapes of information, and the idea was to tighten control on those not paying their child or spouse support. He said it was designed to allow the department of revenue to develop procedures for making support debt information available to consumer credit reporting agencies. He said the intent was for the department to provide such information to agencies, for the protection of business and financial institutions.

List of Testifying Proponents and What Group They Represent:

Darrell Micklewright - President, Associated Credit Bureaus of Montana

John Cameron - Board Member, Associated Credit Bureaus of Montana

Charles Brooks - Executive Vice President, Montana Retail Association

List of Testifying Opponents and What Group They Represent:

None

Testimony: Darrell Micklewright said they represented virtually all of the credit reporting agencies in Montana. He said that even though there was an existing law, HB 591 would enhance the credit reporting files, and would better enable financial institutions to make decisions in extending credit. He said the law also outlined another step to the reverification process, which would further assure against misinformation going to credit reporting agencies.

John Cameron said he was also in favor of HB 591, because it would help credit grantors make their credit decisions, and it would help collect additional revenue in child support. He said that presently child support information could be manually picked up at the county level, by various credit reporting agencies throughout Montana. He said that by using the magnetic tapes to report directly to the credit reporting agencies, the information would go on the individual's credit file, and could be used throughout the country. He said other states were beginning the use of this system, and noting an increase of collected revenues. He said that presently the child support division was reporting approximately 9,000 delinquent cases, and that represented an excess of \$4,000,000.

Charles Brooks said they believed HB 591 would give protection to commercial lenders and retailers, by insuring that all of the customer's financial obligations were considered. He said they urged support of the bill.

Questions From Committee Members: Chairman Thayer asked if the bill had originated from the credit people, or the child support division? Representative Phillips said it had been a combination of both. He said the child support division had not testified, but they had an attorney present to answer any questions.

Closing by Sponsor: Representative Phillips said there hadn't been any opposition to the bill. He stated that he had asked for a safeguard amendment in the House committee, which required the child support division to report a paid up debt within thirty days. He said that since Senator Noble was a lender at times, he might carry the bill on the Senate floor.

DISPOSITION OF HOUSE BILL 591

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator Noble made a motion HB 591 BE CONCURRED IN. Senator Meyer seconded the motion. The motion Carried Unanimously. Senator Noble carried the bill on the Senate floor.

DISPOSITION OF HOUSE JOINT RESOLUTION 5

Discussion: Senator Lynch said the insurance people stated this didn't amount to much, but he said they were the biggest business in the country. He said that he couldn't see why they were so upset by a letter, which was all a resolution was. He said he continually heard complaints from his constituents, regarding insurance monopolies, the liability crisis, and he thought it was a good resolution.

Senator Noble said the rate increase in the commercial insurance market has forced them to study their coverage, and clean up unneeded policy inclusions. He said they were now paying less, through their study efforts, and through regular competitive bidding by

insurance companies. than they had been paying five years ago. He said the commercial area was now very competitive, and he felt good about what he had found within that portion of the industry. He thought maybe those who were complaining, should do more homework on the coverage they had.

Senator Williams asked if the control should be kept on a state level? Senator Noble said he definitely thought they should, and opposed the resolution. He said he favored the state setting the policy, and he would hate to see the agency that could develop with federal control.

Senator Lynch said he felt we were easy picking to the big insurance companies. He said their volume of business, and margin of profit was so great that the state had no means of controlling that size of industry. He said he thought it was a good idea, and even though a resolution may not accomplish anything, it would show their concern.

Chairman Thayer said he was going to vote against the measure, because he thought it was a philosophical thing. He said he thought state government interfered too much in the lives of local people and government. He said he felt the control should always be kept at the lowest level of government that was possible. He stated that this was one area where the state had that control, and he also felt there had been a significant number of regulatory bills passed on the insurance industry. He said he agreed with Representative Bardanouve that the insurance industry had better clean up their industry, but portions of the wording in HJR 5 bothered him.

Senator Boylan said he was going to vote against the resolution, because of the mandatory insurances that were already required, and this would play to the same end.

Senator Hager said he was going to speak against the resolution, because his experience of dealing with the federal government on other issues had not been that productive. He said that if you had a problem with insurance in Montana, you were able to call the insurance department and get help, but he thought that would change if you were making inquiries of the federal government.

Senator Noble asked if federal enactment of this legislation would eliminate the state insurance commissioner's

SENATE COMMITTEE ON BUSINESS AND INDUSTRY

March 14, 1989

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position? Kathy Anderson said it would not entirely eliminate it, but she would say that it would probably limit the staff.

Senator Williams said he thought it would tend to put everyone on the same level, and cut some of the comparison problems they were always hearing.

Senator Weeding said that even though he agreed with keeping local control, he was going to vote for the motion. He said he wondered just how much the insurance commissioner got from the insurance companies. He said he didn't feel the insurance department had the authority to affect any changes in the companies policies.

Amendments and Votes: None

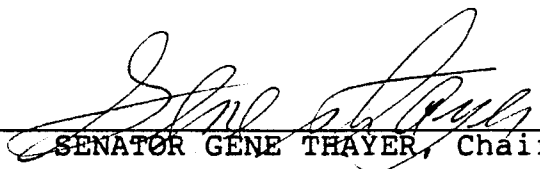
Recommendation and Vote: Senator Noble made a motion HJR 5 BE NOT CONCURRED IN. Senator Meyer seconded the motion.

Senator Lynch made a substitute motion that HJR 5 BE CONCURRED IN. The motion failed, with Senator Meyer, Senator Boylan, Senator Noble, Senator Hager, Senator McLane, and Senator Thayer opposing the motion. Senator Lynch requested a minority report so that there would be a discussion on the Senate floor.

Action reverted back to Senator Noble's original motion to BE NOT CONCURRED IN. The motion Carried, with Senator Williams, Senator Weeding, and Senator Lynch opposing the motion. Senator Thayer carried the majority report, and Senator Lynch carried the minority report on the Senate floor.

ADJOURNMENT

Adjournment At: 11:34 a.m.


SENATOR GENE THAYER, Chairman

GT/ct

ROLL CALL

BUSINESS & INDUSTRY COMMITTEE

DATE 3/14/

51st LEGISLATIVE SESSION 1989

NAME	PRESENT	ABSENT	EXCUSED
<u>SENATOR DARRYL MEYER</u>	✓		
<u>SENATOR PAUL BOYLAN</u>	✓		
<u>SENATOR JERRY NOBLE</u>	✓		
<u>SENATOR BOB WILLIAMS</u>	✓		
<u>SENATOR TOM HAGER</u>	✓		
<u>SENATOR HARRY MC LANE</u>	✓		
<u>SENATOR CECIL WEEDING</u>	✓		
<u>SENATOR JOHN "J.D." LYNCH</u>	✓		
<u>SENATOR GENE THAYER</u>	✓		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

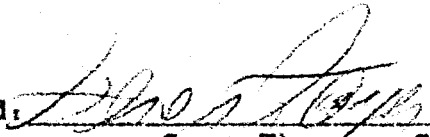
March 14, 1989

MR. PRESIDENT:

We, your committee on Business and Industry, having had under consideration HB 355 (third reading copy -- blue), respectfully report that HB 355 be concurred in.

Sponsor: Cohen (Crippen)

BE CONCURRED IN

Signed: 

Gene Thayer, Chairman

4/15/89
3/15/89
8:6

SENATE STANDING COMMITTEE REPORT

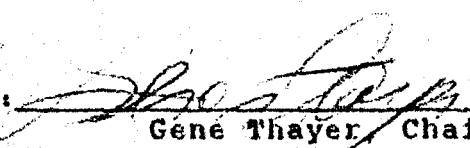
March 14, 1989

MR. PRESIDENT:

We, your committee on Business and Industry, having had under consideration HB 591 (third reading copy -- blue), respectfully report that HB 591 be concurred in.

Sponsor: Phillips (Noble)

BE CONCURRED IN

Signed: 

Gene Thayer, Chairman

11.0.184
3/15/89
8:00 a.m.

SENATE STANDING COMMITTEE REPORT

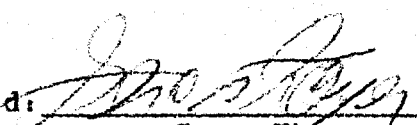
March 14, 1989

MR. PRESIDENT:

We, your committee on Business and Industry, having had under consideration HB 577 (third reading copy -- blue), respectfully report that HB 577 be concurred in.

Sponsor: Simon (McLane)

BE CONCURRED IN

Signed: 

Gene Thayer, Chairman

71.0
3/15/89
8:00

scrhb577.314

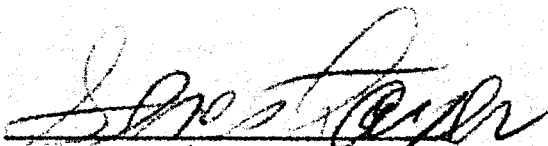
SENATE STANDING COMMITTEE REPORT

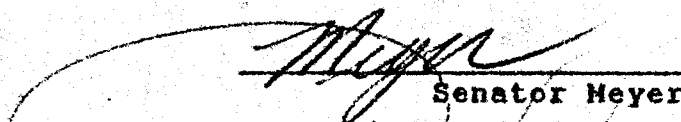
March 14, 1989

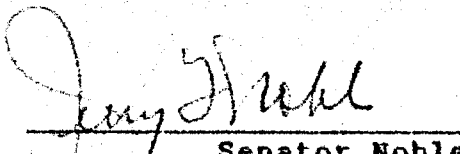
MR. PRESIDENT:

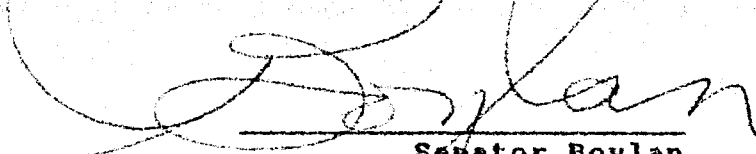
We, your committee on Business and Industry, having had under consideration HJR 5 (third reading copy -- blue), respectfully report that HJR 5 be not concurred in.

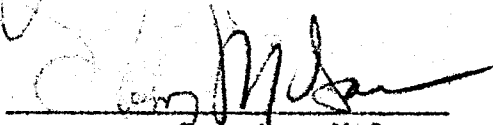
Sponsor: Bardanouve (Thayer)

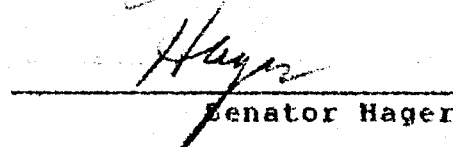

Senator Thayer


Senator Meyer

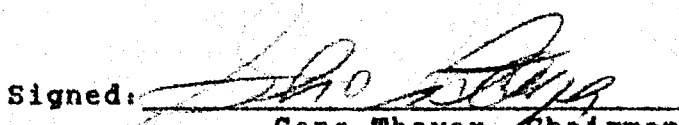

Senator Noble


Senator Boylan


Senator McLane


Senator Hager

**MAJORITY REPORT
BE NOT CONCURRED IN**

Signed: 
Gene Thayer, Chairman

4/10/89
3/15/89
S. 25
a.m.

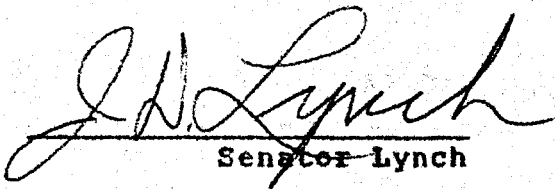
SENATE STANDING COMMITTEE REPORT

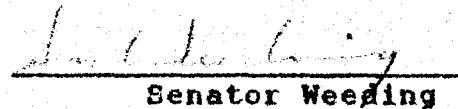
March 14, 1989

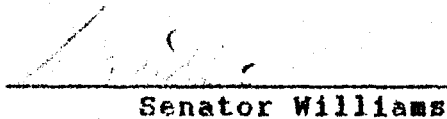
MR. PRESIDENT:

We, your committee on Business and Industry, having had under consideration HJR 5 (third reading copy -- blue), respectfully report that HJR 5 be concurred in.

Sponsor: Bardanouve (Lynch)


Senator Lynch


Senator Weeding


Senator Williams

**MINORITY REPORT
BE CONCURRED IN**

41.C.189
311515
8:6

MEMORANDUMAFRICAN DEVELOPMENT BANK STATE
LEGISLATIVE PROGRAM - MONTANAI. Background

The African Development Bank ("the Bank") is currently seeking the enactment of legislation, where necessary, which would permit state-regulated banks, insurance companies, fiduciaries and public employee retirement systems to invest in Bank obligations if they choose to do so. Several years ago, largely through the joint efforts of the Congressional Black Caucus and the Reagan Administration, Congress enacted Title XIII of P.L. 97-35 authorizing United States membership and financial participation in the Bank, which was initially created in 1964 and until 1982 limited its membership to African countries. Today, the Bank's membership includes all African nations except for South Africa, plus the Governments of the United States, Canada, Japan and Western Europe.

The Bank, a principal source of financing for economic development projects on the African continent, funds these projects through the sale of its obligations in the world's capital markets. As with the International Bank for Reconstruction and Development (World Bank), the Inter-American Development Bank and the Asian Development Bank, investments in African Development Bank securities by the state-regulated institutions described above generally require either state legislation or administrative agency rulings prior to the time such securities can be marketed in a particular state. P.L. 97-35 referred to above authorized federally regulated financial institutions to invest in such securities.

Since initiating state legislation activities several years ago, the Bank has obtained passage of legislation or secured comparable administrative agency rules qualifying its securities for investments in forty-two states.^{1/}

1/ These include Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, Washington, West Virginia and Wisconsin.

Ex. #1
3/14/89

Bills are also pending in additional states, while others have laws which already permit such investments under a "prudent investor" standard. It should be noted that each state has its own particular laws applicable to state-regulated institutional investors and no two states are alike in this regard.

The Bank entered the United States capital market for the first time in the Fall of 1985 and most recently in early November 1987 with highly successful bond issues. The three principal American bond rating services have given its bonds AAA, AAA and AA ratings, which makes this type of investment quite attractive once a regulated investor receives appropriate legal authorization. In order to assure a successful United States market presence, the Bank is seeking enactment of legislation in a number of additional states, including Montana, to obtain this authorization.

II. Specific Legislation Needs in Montana

A review of the applicable Montana laws indicates a need for amending only one section of the Montana Code Annotated to gain investment authorization for state-regulated insurance companies. This involves merely adding the name of the African Development Bank to that of the International Bank for Reconstruction and Development (World Bank), whose obligations are already eligible for these investments. Other regulated investors apparently already have the necessary authority without the need for statutory change.

Based upon experience to date in other states, this legislation should be completely noncontroversial. President Reagan and the U.S. Treasury Department have actively supported efforts to get this legislation enacted, as have many Black political leaders around the country. Because of the high Bank securities ratings, prospective investors also support it since this increases their high-yield, low-risk portfolio options and provides them an opportunity to make both profitable and socially worthwhile investments. Finally, since the Bank is the major source of foreign exchange financing for transactions in or with Africa, American exporters to that continent, particularly in the agricultural sector, have ample incentive to support the Bank's financial success.

Prepared November 1988 by:

David Aronofsky, Esq.
U.S. Legal Counsel, African Development Bank
Arent, Fox, Kintner, Plotkin & Kahn
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5339
202-857-6054



THE SECRETARY OF THE TREASURY
WASHINGTON

FEB 12 1988

Ex. #1
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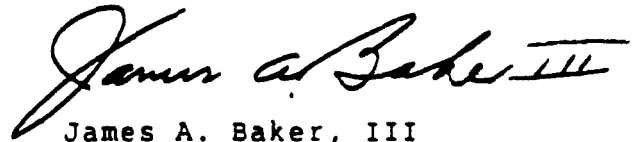
Dear Governor Schwinden:

I am writing in support of the African Development Bank's efforts to obtain the qualification of its obligations in the State of Montana for investment by certain state-regulated institutions.

The African Development Bank was established as a multilateral development bank in 1963 to foster economic and social development of its African members individually and through regional cooperation. In addition to all independent African countries except for South Africa, the Bank's membership now includes the United States, as well as the countries of Western Europe, Japan and other developed nations. The African Development Bank is patterned after the International Bank for Reconstruction and Development (World Bank), the Inter-American Development Bank and the Asian Development Bank, in that they all make extensive use of the world's capital markets through the sale of their highly rated bonds and other obligations to obtain funds for development lending activities. A substantial percentage of such funds finances the purchase of American goods and services used in critical development projects. This in turn enables American businesses and academic institutions to participate directly in these activities, to the benefit of all concerned.

I would appreciate your State taking the necessary steps to have the African Development Bank receive at least as favorable treatment under the laws of Montana as is currently accorded to one or more of the other multilateral development banks with respect to the qualification of the Bank's securities for purchase by state chartered banks, savings and loan associations, insurance companies, public employee retirement systems and any special statutory or constitutional funds. At least 34 states have already wholly or partially accorded such treatment to the African Development Bank through enactment of legislation or, where appropriate, administrative agency rulings. I anticipate that the Bank will be in touch with you through its American legal counsel to present detailed legislative proposals.

Sincerely,


James A. Baker, III

The Honorable Ted Schwinden
Governor, State of Montana
Helena, MT 59620

cc: The Honorable Bill Norman
The Honorable Robert L. Marks



THE SECRETARY OF THE TREASURY
WASHINGTON

FEB 12 1988

Ex. #1
3/14/89

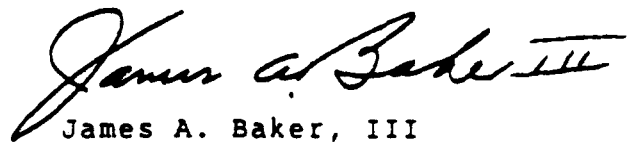
Dear Mr. Norman:

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Sincerely,



James A. Baker, III

The Honorable Bill Norman
President, Montana Senate
Helena, MT 59620

cc: The Honorable Ted Schwinden
The Honorable Robert L. Marks

Ex. #1

3-14-89



THE SECRETARY OF THE TREASURY
WASHINGTON

FEB 12 1988

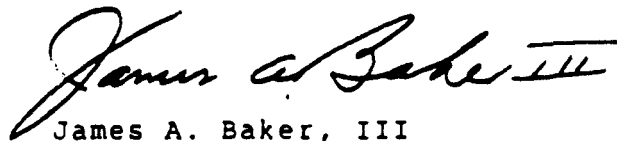
Dear Mr. Marks:

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Sincerely,



James A. Baker, III

The Honorable Robert L. Marks
Speaker, Montana House of
Representatives
Helena, MT 59620

cc: The Honorable Ted Schwinden
The Honorable Bill Norman

3-14-89

Faces Behind the Figures

Edited by Lisa Gubernick

Family fun

Quarrels are as old as families. "You're supposed to keep things like this inside the house," says Laurence Price, 41, and he should know. Last month, in the latest move in a two-year legal battle, Laurence Price sued Sol Price, his father, retailing innovator and founder of the \$3.3 billion (fiscal 1987 revenues) Price Club chain of discount warehouses, along with his brother Robert and the Price Club, for \$100 million.

Laurence says the trouble began brewing in 1976, when the chain was just getting started. "I was just too independent," says Laurence. "We were all in the same office and things got very difficult. I thought the best thing was to leave and start my own business."

Sol helped his son to open up tire-mounting stores adjacent to the Price warehouses. At \$4.25 a tire, that doesn't sound like much, but Price sells a lot of tires. Laurence says the business did \$5.2 million in sales in 1985. "The bigger it got," says Laurence, "the worse my relationship with my father got."

That relationship reached its nadir when Laurence left his wife in the early 1980s. Says Laurence: Sol ordered him not to move near her home

and to give his wife custody of the two kids. When the boys moved in with Dad, Sol told Laurence to send them back. He refused to obey, and his father retaliated by grabbing control of the tire business. After all, Sol still held the lease on the stores.

Laurence sued. First, father and son tried to settle their disputes in arbitration. Earlier this year Laurence got a \$3.7 million arbitration award, but he considers that more of a defeat than a victory, considering taxes, the business debts he has to pay, lawyer bills and some damages. Now his lawyer, mighty Marvin Mitchelson of palimony fame, is asking for additional money for Laurence's suffering. (Dare we call it solimony?)

What does Dad have to say? The company lawyer says Sol will do his talking in court.—Jerry Flint

Out of Africa

For Babacar N'Diaye (pronounced Fen-IAI), the stock market crash couldn't have come at a better time. Just as the Dow dropped 508 points on Oct. 19, N'Diaye and his staff at the African Development Bank (assets, \$18 billion) were readying a \$200 million bond offer. With U.S. investors suddenly scrambling for safety and high yields, the bonds sold as fast as Coca-Cola in Khartoum.

The ADB bonds, secured by the bank's 75 member nations, were sold through lead underwriter Kidder, Peabody. Some were sold in denominations as small as \$1,000. The selling pitch? A 10% coupon and a triple-A rating from Moody's.

"The stock market shock, if it leads to worldwide economic slowdown, could eventually affect African countries," says N'Diaye, 51-year-old president of the ADB. "But for now the slowdown seems to be keeping the level of interest rates low, and that helps Africa's indebted countries."

Americans don't hear much about Africa's debt crisis. That's largely because commercial banks hold less than 40% of Africa's foreign debt, as against nearly 70% of Latin America's. The bulk of African debt, by con-



African banker Babacar N'Diaye
Benefiting from Black Monday.

trast, is on the books of a handful of official lenders, such as the African Development Bank, the World Bank and foreign governments.

That could prove an advantage. N'Diaye is currently crafting his own debt-relief plan, calling for much of Africa's \$160 billion foreign debt to be collateralized into long-term bonds that could be sold to the public or traded among institutional investors. Arranging the bond program with Africa's handful of major creditors will be a lot easier than getting a similar agreement from the 500 or so commercial banks with loans out to Latin America. Moreover, N'Diaye has figured out that what private investors want is a solid rating and a fat return.—Edwin A. Finn Jr.

Will Britannia rule?

Babacar N'Diaye isn't the only one reaping benefits from Black Monday. David Snell, finance director of the British Royal Mint, couldn't be happier about the weakening stock market. Snell, 47, was in Los Angeles and New York City early last month to launch the mint's new gold coin, the Britannia. Snell hopes shaken investors will put more of their assets in gold—coins in particular.

Britain is no newcomer to the market. Its gold sovereign, first minted in 1489, was the world's most widely held gold coin until the late 1960s. Then South Africa's Krugerrand, minted in a convenient one-ounce weight, came along. The traditional sovereign, a tedious .2354 ounces, makes quick calculations of value difficult. The new Britannia will weigh in at one, one-half, one-quarter and



Sol's son, Laurence Price
Suing Dad for \$100 million.

Ex. #1

3-14-87

Third World Projects Create a New Market

By CLYDE H. FARNSWORTH

Special to The New York Times

WASHINGTON, Oct. 9 — Although the market for exports to cash-strapped developing countries has fallen strikingly in the past decade, third-world projects financed by the international development banks have created a booming market for an array of products.

Under their crushing debt burden, developing countries, which normally buy about a third of all American exports, cut purchases from the United States by 13 percent since 1981, to \$82.7 billion in 1987.

But in the same period, American companies doubled, to \$2.1 billion a year, their sales of items needed for projects financed by the four leading development banks — the World Bank, the Inter-American Development Bank, the African Development Bank and the Asian Development Bank.

The market created by the development banks includes power generators, water pumps, trucks, tractors, drilling rigs, irrigation equipment, farm implements, telecommunications equipment, pesticides, seeds and schoolbooks.

In the past five years, the World Bank and the three regional institutions have disbursed \$76 billion to business contractors, chiefly in the industrial countries, to support projects in more than 100 developing countries, according to a recent report by Development Bank Associates Inc., a research group based in Washington.

Chances are that future disbursements will be even greater, following recent Congressional action authorizing American participation in a \$75 billion increase in the resources of the World Bank, nearly doubling its capital. A large increase in funds for the Inter-American Development Bank is likely to be approved in the next few months as well.

"The development banks have created an enormous market," said David A. Raymond, director of international programs for the Enserch Corporation of Dallas, a diversified energy operator which aggressively pursues World Bank contracts. "It isn't an easy business and there's more competition than ever. But it pays hard currency on projects throughout the world."

Despite the numbers, analysts here note that American bidders like Enserch are still relatively few.

"Many business executives do not

The development banks are bringing about a boom for many products.

know about the bidding process," the United States Chamber of Commerce said in a special study of the market published two years ago. "Others fear red tape."

Development Bank Associates said in a recent report, "A Practical Guide to the Development Bank Business," that less than 3 percent of United States exporters are actively engaged in marketing products for such projects.

The lack of interest has hit the pocketbook. Even as the United States has strikingly increased exports to the development-bank market, it has been losing market share to its principal commercial rivals — West Germany and Japan.

By far the biggest of the development institutions, the World Bank committed \$17.7 in 1987 to expand power distribution in Argentina, build irrigation works in Belize, expand technical education in Brazil and to aid scores of other programs. Commitments by the three regional institutions totaled \$7 billion, bringing the total for the four to \$24.7 billion.

The commitments become actual disbursements as the multiyear projects reach varying stages of completion needing additional equipment and supplies.

Most of the contracts are relatively small — in the range of \$10,000 to \$50,000. In a recent year, 65 percent of all equipment contracts and 55 percent of all consultancy contracts on World Bank projects were for less than \$50,000, according to the Development Bank Associates study.

Over the same period there were 2,000 payments by the World Bank of more than \$1 million.

The development-bank business is confined to developing countries, which includes nearly all countries with per-capita yearly income of less than \$3,000. These include such giants as China and India and such tiny island states as Kiribati and Vanuatu. The market also includes some East bloc countries like Hungary and Poland.

low rates. Others disagree.

"I think tax policy in 1989 is going to be a back-burner issue," said Donald H. Straszheim, chief economist for Merrill Lynch & Company, even though "the budget and trade deficits are troubling to economists."

"We're likely to end up with higher taxes down the road, but not immediately," he said. Some form of energy tax is likely, he suggests, and eventually a value-added tax could be imposed. If income tax rates are raised, then preferential treatment for capital gains is "not unreasonable," he said. But with a new Administration and a new Congress due to take office, he does not expect the tax rates to be changed in 1989.

Mr. Straszheim sees a modest recession and lower interest rates for the second half of 1989. If that forecast is accurate, it would argue against making tax-driven sales of bonds now, because bond prices would rise if rates fell. One strategy, though, would be to sell bonds on which one has a loss and replace them with similar securities.

Vern Martens, vice president of Merrill Lynch Tax Advisory, noted that if there is no change in tax rates next year, "taxpayers will pay lower taxes because of indexing for inflation." Nevertheless, he said, "people are still looking for something that will provide a tax break."

The most popular tax-exempt investments are municipal bonds, although certain municipal bonds are subject to the alternative minimum tax. These latter bonds pay slightly higher rates and thus are attractive to investors who are not liable for the alternative minimum tax.

Mr. Martens offered these additional possibilities for reducing taxes:

1. Rehabilitation credits for low-income housing can cut taxes by up to \$7,000.

2. Tax-deferred annuities can be attractive for retirement plans.

3. By switching from money market funds to certificates of deposit or Treasury bills or notes, investors can defer income into future years. A switch in October, however, will only reduce 1988 interest income by 25 percent.



Wart Goldenberg

as a current investment ears, but the it by 1991.

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Idis' Challenge to OPEC

1 From First Business Page

els a day, from around 4.3 arrels a day a month ago. ficials said their current was to keep their production protect their share of the market against other pro- at are discounting their oil easing production to secure iles.

il industry officials said that posal would substantially overall OPEC ceiling, bring- 19 million barrels a 4 million barrels above the 1987 ceiling. The higher ceiling

manently lower oil prices.

One industry expert said the tentative proposal depended upon a compromise between Iraq and Iran under which the countries would agree to equal production shares of 2.5 million barrels a day each. Iraq is now producing about 2.7 million barrels a day, while Iran's output is just below 3 million barrels a day.

Under the new proposal, OPEC would also agree to lower the official price it has used as a yardstick, to closer to \$15 a barrel, from \$18.

But OPEC officials and oil analysts fear that until an agreement is reached, a further steep drop in oil prices is a real possibility, bringing

Pillsbury Sued Over Offer

fort to protect the interests of the

Title 3--

Executive Order 12403 of February 8, 1983

The President

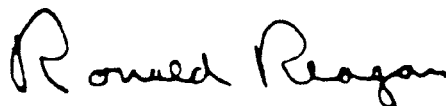
African Development Bank

By the authority vested in me as President by the Constitution and statutes of the United States of America, including Section 1 of the International Organizations Immunities Act (22 U.S.C. 288), Reorganization Plan No. 4 of 1965, and the African Development Bank Act (22 U.S.C. 290i), and in order to facilitate United States participation in the African Development Bank, it is hereby ordered as follows:

Section 1. The African Development Bank, in which the United States participates pursuant to Sections 1332-1342 of Public Law 97-35 and the Agreement Establishing the African Development Bank, is hereby designated as a public international organization entitled to enjoy the privileges, exemptions, and immunities conferred by the International Organizations Immunities Act. This designation is not intended to abridge in any respect the privileges and immunities which such organization has acquired or may acquire by treaty or Congressional action. This designation shall not affect in any way the applicability of Section 1 of Article 52 of the Agreement, Article 57 of such Agreement or the Declaration made by the United States pursuant to Article 64 of the Agreement.

Sec. 2. Executive Order No. 11269, as amended, is further amended by deleting "and African Development Fund" and adding ", African Development Fund, and African Development Bank" in Sections 2(c), 3(d) and 7, respectively.

Sec. 3. The functions vested in the President by Sections 1333(c), 1334, 1338(a) and 1341(b) of Public Law 97-35 (22 U.S.C. 290i-1(c), 290i-2, 290i-6(a), and 290i-9(b)) are delegated to the Secretary of the Treasury.



THE WHITE HOUSE

February 8, 1983.

Ex. #1
3-14-89

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 8, 1983

REMARKS OF THE PRESIDENT
IN CEREMONY MARKING U.S. MEMBERSHIP
IN AFRICAN DEVELOPMENT BANK

The State Dining Room

1:51 P.M. EST

THE PRESIDENT: Your Excellencies, President Mung 'Cmba Secretary Regan and members of the Congress and distinguished guests, one of the great pleasures of this office is that I often have a chance to do something unabashedly positive in nature. And I'm pleased to say that what we're about to do offers such an opportunity.

Today we mark the new American partnership, as I'm sure Secretary Regan has told you, with the people of Africa through our acceptance of membership in the African Development Bank.

We take the step purposefully and by it we underscore our commitment to African growth.

The United States has always taken a farsighted view to assist the growth of developing nations. At the Cancun Summit in October of '81, the United States laid out a broad-based program of trade, investment and aid to meet the diverse needs of the developing countries. Last year, we put this approach into practice in our Caribbean Basin Initiative for the developing countries of the Caribbean and Central America. And with this step today, the United States reaches out to its developing nation partners in Africa.

The United States and the African Development Bank are not new friends by any means. Since '68, the United States has provided technical assistance to the bank through the Agency of International Development. And since '76, we've channeled part of our development assistance to Africa through the bank's affiliates — or affiliates, I should say, of the African Development Fund.

And now, by opening its membership to the non-African countries, the African Development Bank has given us the opportunity for even closer cooperation. I'm happy to say we accept the invitation and stand ready to do our share.

We're painfully aware that Africa's economic development is encountering difficult obstacles. As the leader in the cause of the progress, the African Development Bank group along with other assistance organizations must strive for more effective use of the limited development funds.

The African governments who carry the heaviest responsibility for their own domestic economy — or economic conditions

MORE

Ex. #1
3/14/89

must pursue a sound, growth-oriented economic policy in order to be made. Far too often, the governments of developing countries undermine their own private sector -- one of the essentials for commercial and industrial expansion -- only to see the standards of living decline in the countries that do that.

If the leaders of Africa's nations recognize the critical role of private enterprise, they can then expect to share in much more of the worldwide economic upturn that we think is now beginning in this country. Americans recognize both the special development needs and the great potential of Africa. The African Development Bank Group symbolizes the determination of Africa and the International Community to meet those needs and to achieve that potential.

We, in the United States, are enthusiastic about this partnership as I am sure the Secretary has told you. And we look forward to seeing tangible results from this cooperative and very special effort.

And now, I am going to sign a letter to the President of the Bank, and I am going to sign our Action Paper.

(The documents are signed. Applause.)

There, that makes it absolutely official.
(Applause.)

PRESIDENT MUNG'OMBA: Mr. President of the United States Mr. Secretary of the Treasury, and the Governor of the African Development Bank, distinguished Senators and Congressmen, Your Excellencies, ladies and gentlemen, on behalf of the Board of Governors and the Board of Directors of the African Development Bank and on my own behalf, permit me to acknowledge with sincere gratitude the singular honor you have done the Bank and ourselves today in deciding to mark the signing of the formal instruments of accession of the United States to membership of the African Development Bank with this special ceremony.

Mr. President, the ceremony we have just witnessed is significant in many respects. But I think it is most obviously significant in that it marks the clearest commitment of the government and the people of this great country to the development objectives and aspirations of the African peoples as collectively expressed in their institutions that form the African Development Bank Group.

Mr. President, we have long had clear and consistent proof of the sincerity and sympathy of the United States toward these institutions. Your country's assistance both in the form of funds and technical assistance to the Bank has been a reliable and invaluable supplement to the Bank's own efforts for nearly as long as the Bank has been in existence. And this notwithstanding that, for reasons that are now happily historical, the United States could not at that time be a member of the African Development Bank.

The same history of great care and concern is even more amply evident in the clear leadership position that the

MORE

Ex. #1
3/14/79

United States unreservedly accepted, in terms of both direct contributions and indirect assistance, when it became possible for this country to become a state participant in the African Development Fund a few years after its creation. Sir, today it marks a further confirmation of the commitment of your people, your government, and we recognize it as an explicit assurance that it is a long-term commitment.

And because it's long-term in nature, it further underscores the concern of the people of this country for the plight of the people of Africa, which is the chief duty of the institutions of the Bank group to help mitigate.

On behalf of the governing bodies of the Bank, it is my singular honor and pleasant duty to welcome the United States of America to membership of the Bank. You will, Mr. President have, no doubt, have been informed at least in outline of the long period of internal debate which preceded the decision of our governors to admit non-African countries to membership of the Bank. In the end, what persuaded them was the consideration that non-African membership could create an opportunity on the continental level and under their own leadership, for a more extensive dialogue and partnership between the two sides in combatting Africa's endemic development problems.

Mr. President, it is this opportunity which we in the Bank, with the assistance of countries like yours, have the responsibility to translate into reality. And I am convinced that we will succeed in this endeavor. There can be no doubt that with the material and technical resources that will be made available to the Bank as the result of this day's work, its effectiveness in manning this frontier and pushing it back is significantly enhanced.

Mr. President, your decision to have present at this ceremony such a distinguished and broadly representative selection of the members of the executive, the legislature and the business and banking organs of the nation signifies clearly to all of us how essential is the participation of all these sectors of the nation before this great adventure in international cooperation can become a true success.

Allow me, sir, to address a word of gratitude to the many concerned friends of Africa in the Senate and Congress whose consistent support for this program over all these years has today brought our efforts to fruition.

Equally, sir, a word of thanks is due to these tasks of both of the executive and the legislative who sought tirelessly and patiently assisted us at all stages of our preparations.

Mr. President, I would on this happy occasion go further and take this wonderful opportunity, on behalf of my colleagues, myself, the African Development Bank, personally to wish you a belated Happy Birthday and sincere good wishes for health, success and God's blessings in your future endeavors.

Sir, on behalf of the Boards of Governors and Directors of the Bank group, accept our most sincere welcome to the African Development Bank and our thanks to you and to the people of your great country. (Applause.)

END

2:05 P.M. EST

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amount of the initial payment is determined by applying the value of the annuitant's contract as of the date of annuitization (adjusted for any deductions) to the annuity purchase rate for the annuitant's annuity option, sex, and adjusted age. The specific time when the calculation will be made and the particular deductions that will be made at that time also should be disclosed. Registrants should disclose that the amount of subsequent annuity payments is determined by multiplying the number of annuity units credited to an annuitant's account by the value of an annuity unit at the time of each payment where (1) the number of annuity units credited to an annuitant's account is determined by dividing the amount of the first annuity payment by the value of an annuity unit at the time of that payment, and (2) the value of an annuity unit changes to reflect investment performance of the underlying portfolio company, adjusted by a factor to neutralize the assumed investment return. Registrants should disclose any deductions affecting the amount of annuity payments, and, where applicable, that changes in the value of an annuity unit reflect deductions of mortality and expense risk charges.

Guide 11. Crediting of Contract Values

Item 10 of Form N-4 requires disclosure about when initial and subsequent purchase payments are credited. Section 22(c) of the 1940 Act (15 U.S.C. 80a-22(c)) and rule 22c-1 (17 CFR 270.22c-1) establish standards for crediting purchase payments for securities of registered investment companies. However, the staff has not objected to disclosure that an initial purchase payment under a variable annuity contract would be credited within two business days of receipt if the contract application and other necessary information were complete as received by the office issuing the contract, and within five business days of receipt if the application and other information were incomplete when received. Registrants following this practice must disclose it and also disclose that, if the initial purchase payment is not credited within five business days, the purchase payment will be immediately returned unless the prospective purchaser has been informed of the delay and specifically requests that the purchase payment not be returned.⁶

Additionally, registrants should disclose any special procedures for crediting initial purchase payments in the case of incomplete applications (e.g., allocation of an initial purchase payment to the sub-account which invests in the money market fund if no sub-account has been specified).

Guide 12. Automatic Annuity Options

Item 8 of Form N-4 calls for disclosure about annuity option choices available to a prospective annuitant and the effect of not specifying a choice. Registrants should disclose any automatic purchase of a fixed annuity (i.e., the annuity selection that will be made by the company if the prospective

annuitant has not chosen an option). The staff has taken the position that an automatic annuity involving a fixed pay out of amounts that have accumulated on a variable basis is not consistent with section 27(c)(1) of the 1940 Act (15 U.S.C. 80a-27(c)(1)). However, the staff does not object to an automatic fixed annuity purchase if the only options available under the variable annuity contract are fixed annuities.

[FR Doc. 85-14886 Filed 6-24-85; 8:45 am]

BILLING CODE 8750-01-8

17 CFR PART 283

[Release Nos. 33-6599; 34-22154; 38-886; AFDB-1]

Primary Offerings by the African Development Bank

AGENCY: Securities and Exchange Commission.

ACTION: Final rules.

SUMMARY: The Commission today is adopting a new regulation specifying the periodic and other reports to be filed with it by the African Development Bank. The regulation is virtually identical to the regulations previously adopted by the Commission in connection with primary distributions of securities issued by the International Bank for Reconstruction and Development, the Inter-American Development Bank and the Asian Development Bank.

EFFECTIVE DATE: June 25, 1985.

FOR FURTHER INFORMATION CONTACT: Carl T. Bodolius, (202) 272-3248, or Martin L. Meyrowitz, (202) 272-3250, Office of International Corporate Finance, Division of Corporation Finance, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, D.C. 20549.

SUPPLEMENTARY INFORMATION: The Securities and Exchange Commission (the "Commission") today adopted rules and regulations specifying the periodic and other reports to be filed with it in connection with the primary distribution of securities issued by the African Development Bank ("AFDB" or "the Bank"). The regulation, which would be designated Regulation AFDB,¹ is virtually identical to Regulations BW,² LA,³ and AD,⁴ which prescribe the

reports to be filed with the Commission by the International Bank for Reconstruction and Development ("IBRD"), the Inter-American Development Bank ("IAD"), and the Asian Development Bank ("AD"), respectively. (These three, along with the African Development Bank, may sometimes be collectively referred to herein as the "Banks").⁵

I. Background

United States membership in the IBRD, IAD, AD and AFDB was authorized by the Bretton-Woods Agreements Act, the Inter-American Development Bank Act, the Asian Development Bank Act, and the African Development Bank Act (the "Act"), respectively.⁶ Section 9(a) of the Act⁷ and each of the aforementioned Acts provides, in relevant part, that certain securities issued or guaranteed by each of the Banks are "exempted securities" within the meaning of section 3(a)(2) of the Securities Act of 1933⁸ and section 3(a)(12) of the Securities Exchange Act of 1934.⁹ An exemption is also available under the Trust Indenture Act of 1939.¹⁰ Despite the exemptions, each of the Acts requires the Banks to file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be necessary in the public interest or for the protection of investors.¹¹

The organization and financing of the AFDB closely follows the pattern of the other international development banks which preceded it. These development banks differ somewhat from traditional banks. They are non-profit financial institutions which do not accept deposits or make short-term loans. Their shareholders are governments. They are organized to make loans fostering

⁶ Regulation BW was adopted in Securities Act Release No. 3364 (January 8, 1950). Regulation LA was adopted in Securities Act Release No. 4290 (October 25, 1960). Regulation AD was adopted in Securities Act Release No. 4889 (December 18, 1967).

⁷ 22 U.S.C. 286 et seq., Pub. L. No. 78-171, approved July 31, 1943; 22 U.S.C. 283 et seq., Pub. L. No. 86-147, approved August 7, 1959; 22 U.S.C. 286 et seq., Pub. L. No. 86-368, approved March 18, 1980; 22 U.S.C. 2901, Pub. L. No. 97-35, approved August 13, 1981, respectively.

⁸ 22 U.S.C. 280-281.

⁹ 15 U.S.C. 77a-77e (1978 and Supp. V 1981), as amended by the Business Regulatory Reform Act of 1982, Pub. L. No. 97-381, § 18(d), 96 Stat. 1123 (1982); specifically 15 U.S.C. 77(a)(12).

¹⁰ 15 U.S.C. 78a-78k (1978 and Supp. V 1981), as amended by the Act of June 6, 1983, Pub. L. No. 98-36, specifically 15 U.S.C. 78(a)(12).

¹¹ 15 U.S.C. 77aaa-77bbb, as amended, specifically 15 U.S.C. 77ddd(4).

¹² See note 7, supra.

⁶ The Commission proposed codifying these standards in an amendment to rule 22c-1 under the Act. See Investment Company Act Release No. 13613 (May 1, 1984) [49 FR 19320 (May 7, 1984)].

¹⁷ 17 CFR Part 283.

¹⁸ 17 CFR Part 283.

¹⁹ 17 CFR Part 286.

²⁰ 17 CFR Part 287.

economic and social development within certain limitations embodied in their charters. These activities are financed primarily through paid-in capital by members and through borrowing in international capital markets.

As is the case with the other development banks, public offerings in the United States of securities issued or guaranteed by the AFDB would be subject to a number of safeguards both in the Bank's charter and provided for in the Act. First, the capital structure of the Bank is such that its obligations, in effect, rest ultimately on the credit of its member countries, one of which is the United States. Member countries subscribe to capital shares, a percentage of which are paid-in and a percentage of which are subject to call if necessary to meet the Bank's obligations. In the event of default, the Bank would issue a call, on a pro rata basis, to member countries for the amount necessary to meet the obligations. A second call could issue to make up any deficiencies caused by member countries' failure to meet the initial pro rata share.

The Act also provides certain safeguards, modeled on the provisions governing the other development banks in which the United States participates. First, before the AFDB issues any securities in the United States, approval would be required of the National Advisory Council on International Monetary and Financial Problems (the "NAC") under the general direction of the President.¹² Secondly, although the Bank's securities are exempt, the Act, as previously indicated, also provides that the Bank will file with the Commission such annual and other reports as the Commission considers appropriate. Finally, the Act authorizes the Commission, after consulting with such agency or officer as the President designates, to suspend the exemption in whole or in part at any time.¹³

II. Synopsis of Regulation AFDB

Regulation AFDB, and the rules thereunder, require the Bank to file with

the Commission quarterly financial reports and copies of the annual report to its governing board.

The quarterly financial reports will be required to be filed with the Commission within 60 days after the end of each fiscal quarter. This time period is consistent with Regulation AD, but longer than that provided in Regulations IBRD and IAD, which allow only 45 days. The reason for giving the AFDB and the AD additional time is that the main offices of the AFDB and the AD are in Africa and the Philippines, respectively, while the main offices of the IBRD and the IAD are located in the United States.

The Bank will also be required to file a report with the Commission on or prior to the date on which any of its primary obligations are sold to the public in the United States. Schedule A under Regulation AFDB sets forth the information and documents to be furnished in a report filed with respect to a distribution of primary obligations of the Bank.

The Commission has been informed by the Bank that no public offering of securities guaranteed by the Bank is presently contemplated in the United States. Accordingly, the new rules, insofar as they require the reporting of the proposed public sale of securities, are limited to the sale of primary obligations of the Bank. Rules with respect to reporting the sale of securities guaranteed by the Bank will be proposed by the Commission when and if the need therefor arises. Regulations BW, LA, and AD likewise are limited to primary obligations only.

List of Subjects in 17 CFR Part 288

Reporting and recordkeeping requirements. Securities.

IV. Text of Amendment

In accordance with the foregoing, Title 17, Chapter II of the Code of Federal Regulations is amended as follows:

1. By adding new PART 288 to read as follows:

PART 288—GENERAL RULES AND REGULATIONS PURSUANT TO SECTION 9(a) OF THE AFRICAN DEVELOPMENT BANK ACT

Sec.

288.1 Applicability of this Part.

288.2 Periodic reports.

288.3 Reports with respect to proposed distribution of primary obligations.

288.4 Preparation and filing of reports.

288.101 Schedule A. Information required in reports pursuant to § 288.3

Authority: Sec. 9(a), 95 Stat. 743, 22 U.S.C. 2801-9.; sec. 10(a), 48 Stat. 85, 15 U.S.C. 776(a).

§ 288.1 Applicability of this Part.

This Part (Regulation AFDB) prescribes the reports to be filed with the Securities and Exchange Commission by the African Development Bank pursuant to section 9(a) of the African Development Bank Act.

§ 288.2 Periodic reports.

(a) Within 60 days after the end of each of its fiscal quarters, the Bank shall file with the Commission the following information:

(1) Information as to any purchases or sales by the Bank of its primary obligations during such quarter;

(2) Two copies of the Bank's regular quarterly financial statement; and

(3) Two copies of any material modifications or amendments during such quarter of any exhibits (other than (i) constituent documents defining the rights of holders of securities of other issuers guaranteed by the Bank, and (ii) loans and guaranty agreements to which the Bank is a party) previously filed with the Commission under any statute.

(b) Two copies of each annual report of the Bank to its Board of Governors shall be filed with the Commission within 10 days after the submission of such report to the Board of Governors.

§ 288.3 Reports with respect to proposed distribution of primary obligations.

The Bank shall file with the Commission, on or prior to the date on which it sells any of its primary obligations in connection with a distribution of such obligations in the United States, a report containing the information and documents specified in Schedule A (17 CFR 288.101). The term "sell" as used in this section and in Schedule A means the making of a completed sale or a firm commitment to sell.

§ 288.4 Preparation and filing of reports.

(a) Every report required by this regulation shall be filed under cover of a letter of transmittal which shall state the nature of the report and indicate the particular rule and subdivision thereof pursuant to which the report is filed. At least the original of every such letter shall be signed on behalf of the Bank by a duly authorized officer thereof.

(b) Two copies of every report, including the letter of transmittal, exhibits and other papers and documents comprising a part of the report, shall be filed with the Commission.

(c) The report shall be in the English language. If any exhibit or other paper or document filed with the report is in a

¹² 22 U.S.C. 2801-3. The NAC was created to coordinate the policies and operations of representatives of the United States on the development banks or on agencies otherwise engaged in foreign financial transactions. It is composed of the Secretary of the Treasury (Chairman), the Secretaries of State and Commerce, the Chairman of the Federal Reserve Board and the President of the Export-Import Bank of Washington. 22 U.S.C. 2806. See Executive Order No. 11289 of February 14, 1966 (as amended by Ex. Or. No. 11334, March 2, 1967) (providing that the Chairman may consult with interested but unrepresented agencies and may invite them to designate representatives to participate in NAC deliberations).

¹³ 22 U.S.C. 2801-9(b).

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Ex. #1

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foreign language, it shall be accompanied by a translation into the English language.

(d) Reports pursuant to Rule 3 (17 CFR 288.3) may be filed in the form of prospectus to the extent that such prospectus contains the information specified in Schedule A (17 CFR 288.101).

§ 288.101 Schedule A. Information required in reports pursuant to § 288.3.

This schedule specifies the information and documents to be furnished in a report pursuant to Rule 3 (17 CFR 288.3) with respect to a proposed distribution of primary obligations of the Bank. Information not available at the time of filing the report shall be filed as promptly thereafter as possible.

Item 1. Description of obligations.

As to each issue of primary obligations of the Bank which is to be distributed, furnish the following information:

(a) The title and date of the issue.
(b) The interest rate and interest payment dates.

(c) The maturity date or, if serial, the plan of serial maturities. If the maturity of the obligation may be accelerated, state the circumstances under which it may be so accelerated.

(d) A brief outline of (i) any redemption provisions and (ii) any amortization, sinking fund or retirement provisions, stating the annual amount, if any, which the Bank will be under obligation to apply for the satisfaction of such provisions.

(e) If secured by any lien, the kind and priority thereof, and the nature of the property subject to the lien; if any other indebtedness is secured by an equal or prior lien on the same property, state the nature of such other liens.

(f) If any obligations issued or to be issued by the Bank will, as to the payment of interest or principal, rank prior to the obligations to be distributed, describe the nature and extent of such priority.

(g) Outline briefly any provisions of the governing instruments under which the terms of the obligations to be distributed may be amended or modified by the holders thereof or otherwise.

(h) Outline briefly any other material provisions of the governing instruments pertaining to the rights of the holders of the obligations to be distributed or pertaining to the duties of the Bank with respect thereto.

(i) The name and address of the fiscal or paying agent of the Bank, if any.

Item 2. Distribution of obligations.

(a) Outline briefly the plan of distribution of the obligations and state the amount of the participation of each principal underwriter, if any.

(b) Describe any arrangements known to the Bank or to any principal underwriter named above designed to stabilize the market for the obligations for the account of the Bank or the principal underwriters as a

group and indicate whether any transactions have already been effected to accomplish that purpose.

(c) Describe any arrangements for withholding commissions, or otherwise, to hold each underwriter or dealer responsible for the distribution of his participation.

Item 3. Distribution spread.

The following information shall be given, in substantially the tabular form indicated, as to all obligations which are to be offered for cash (estimate, if necessary):

	Price to the public	Selling discounts and commissions	Proceeds to the Bank
Per Unit			
Total			

Item 4. Discounts and commissions to sub-underwriters and dealers.

State briefly the discounts and commissions to be allowed or paid to dealers. If any dealers are to act in the capacity of sub-underwriters and are to be allowed or paid any additional discounts or commissions for acting in such capacity, a general statement to that effect will suffice, without giving the additional amounts to be so paid.

Item 5. Other expenses of the distribution.

Furnish a reasonably itemized statement of all expenses of the Bank in connection with the issuance and distribution of the obligations, except underwriters' or dealers' discounts and commissions.

Instruction. Insofar as practicable, the itemization shall include transfer agents' fees, cost of printing and engraving, and legal and accounting fees. The information may be given as subject to future contingencies, if the amounts of any items are not known, estimates, designated as such, shall be given.

Item 6. Application of proceeds.

Make a reasonable itemized statement of the purposes, so far as determinable, for which the net proceeds to the Bank from the obligations are to be used, and state the approximate amount to be used for each such purpose.

Item 7. Exhibits to be furnished.

The following documents shall be attached to or otherwise furnished as a part of the report:

(a) Copies of the constituent instruments defining the rights evidenced by the obligations.

(b) Copies of an opinion of counsel, in the English language, as to the legality of the obligations.

(c) Copies of all material contracts pertaining to the issuance or distributions of the obligations, to which the Bank or any principal underwriter of the obligations is or is to be a party, except selling group agreements.

(d) Copies of any prospectus or other sales literature to be provided by the Bank or any of the principal underwriters for general use in connection with the initial distribution of the obligations to the public.

V. Statutory Authority

The Commission finds that the notice and public procedure pursuant to the Administrative Procedure Act are unnecessary for the following reasons: (1) The African Development Bank is virtually identical in purpose and structure to the other international development banks; (2) the regulations adopted herein are virtually identical to those for the other international development banks, each of which was adopted without prior exposure to public comments; (3) the special character of the AFDB and its operations; (4) the Commission has never received a letter of complaint regarding any of the international development banks, their rules or disclosure requirements; and (5) the views of the AFDB have been received and considered.

In addition, the effective guarantee of the Bank's obligations by member nations, including the United States; the required prior approval of the United States Government for any offerings in the United States; and the Commission's authority to suspend the exemptions at any time constitutes substantial investor protection.

The Commission further finds, for the reasons set forth above, that there is good cause to make the rules adopted herein effective upon publication in the Federal Register. The Bank will be in a position to proceed immediately with public offerings of its securities in the United States if it so decides.

The Commission is adopting Regulation AFDB pursuant to section 9(a) of the African Development Bank Act and section 19(a) of the Securities Act of 1933.

By the Commission.

Shirley E. Hollis,

Assistant Secretary.

June 18, 1985.

Securities and Exchange Commission
Regulatory Flexibility Act Certification

I, John S.R. Shad, Chairman of the Securities and Exchange Commission, hereby certify, pursuant to 5 U.S.C. 605(b), that the rules relating to the exemptive regulation for the securities of the African Development Bank (the "Bank") contained in Securities Act Release No. 33-6588 will not, if promulgated, have a significant economic impact upon a substantial number of small entities. The reason for this certification is that the rules apply

Arent, Fox, Kintner, Plotkin & Kahn

Washington Square 1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5339

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 2

DATE 3/14/89

BILL NO. HB 355

February 9, 1989

David J. Aronofsky
(202) 857-8054

Via Telecopy

James Borchardt
Chief Examiner
Montana Department of Insurance
Sam W. Mitchell Bldg.
Helena, Montana 59604

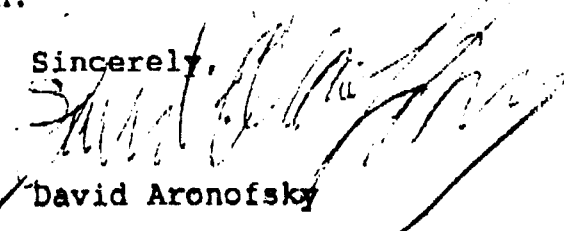
Re: African Development Bank

Dear Jim:

Pursuant to our February 8 discussion about Representative Cohen's House Bill 355 to authorize insurer investments in African Development Bank obligations, I have attached a list of states which expressly permit such insurer investments by statute. I have also identified those states which allow such investments but do not statutorily name any of the four international development banks in which the U.S. Government is a member. We are presently seeking legislation (or in the case of Wisconsin, an administrative agency rule) in those states not listed here which already explicitly authorize insurer investments in at least one of the other banks. As we also discussed, some states listed in the Memorandum I gave you on Wednesday statutorily authorize investors other than insurers to purchase Bank obligations where at least one other bank is specifically named.

I hope the enclosed list demonstrates the desirability of legislation in Montana in terms of gaining treatment for the Bank under Montana law at least equal to that afforded in the large majority of other states. I appreciate your willingness to meet with us so promptly after the hearing to discuss this. I apologize for any inconvenience in not advising your Department sooner about the legislation. I would invite you to call me immediately with any further questions or information requests. Thank you again for your consideration.

Sincerely,


David Aronofsky

cc: The Honorable Ben Cohen
The Honorable Bruce Crippen
The Honorable Bob Pavlovich

Telephone: (202) 857-8000 Cable: ARFOX Telex: WU 892572 ITT 440286 Telecopier: (202) 857-6395

HB 662
March 14, 1989

Testimony presented by Ron Marcoux, Department of Fish,
Wildlife & Parks

The Department of Fish, Wildlife & Parks supports HB 662 which would bring our senior citizen and disabled camping fee discounts into line with current practice in Forest Service and National Park campgrounds, as well as state parks in most other states, by offering a 50% discount rather than totally exempting overnight camping fees.

Department field studies in 1986 have shown that about \$120,000 of earned revenue is foregone annually as a result of fee waivers presently mandated by Section 23-1-105. Our population is aging as well, and net losses continue to increase each year.

This bill would reduce that loss to about \$60,000 per year. That savings would be used by the Parks Division to reverse the deteriorating condition of many of our camping facilities and provide the quality of service our guests expect for their money.

Approximately 26% of our overnight guests now qualify for the existing fee exemption, which is not based on income or ability to pay. During our recent public hearings on state park entry fees, we received numerous letters and testimony that the existing golden years and disabled fee exemptions are highly discriminatory to the three-fourths of our guests who have low and average incomes, yet must pay all of the costs.

This bill would not only make these discounts more equitable, but would also make them less costly to the public and easier for the department to administer by coordinating them and eliminating the requirement for a specific pass which the department must print, consign, sell, and be accountable for.

We urge your support of HB 662.

3/14/89

DATE _____
Bus & Industry

(Please leave prepared statement with Secretary.)